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Sudan Says Rebels Downed Civilian Plane Carrying 60

By Margaret L. Rogg
New York Times Service

CAIRO — A Sudan Airways plane with 60 people aboard was shot down by Sudanese rebels using SAM-7 anti-aircraft missiles shortly after takeoff from a town in a southern Sudanese province, the official Sudan News Agency reported Sunday.

There was no immediate official casualty toll, but reports reaching Cairo from the Sudanese capitol of Khartoum indicated that all aboard may have been killed.

The attack, which occurred Saturday, came one day after rebel forces in the south, known as the Sudan People's Liberation Army, threatened to shoot down all aircraft flying over the areas they control in the southern provinces.

The Sudanese News Agency confirmed Sunday that the plane was downed shortly after taking off from Malakal, about 425 miles (690 kilometers) south of the capital. One report said the attack occurred just before 5 A.M.

The news agency said there were 57 passengers and three crew members aboard the Fokker Friendship plane.

The government gave no explanation for the delay in making public news of Saturday's attack. The first word of the attack is believed to have come from a British aid worker in a telex from Khartoum Sunday morning to the British Broadcasting Corp. in Cairo.

The government in Khartoum announced Sunday that it was halting all flights to the south because of the attack. The labor union representing Sudan Air employees and crews declared a three-day strike to protest the delay in reporting the rebel attack and launching rescue operations.

On Friday, the rebels said in a clandestine radio broadcast that all air traffic over the south was at risk, including civilian aircraft attempting to bring in food supplies to the scores of towns in the south virtually cut off from the rest of the country by a combination of civil war and flooded roads.

The rebels charged that the authorities in Khartoum were using the cover of relief flights to send in military supplies.

Western relief organizations warned recently that several towns in the south were facing critical food shortages and potential famine. Airlifts from neighboring East African countries began last week to at least one southern city, Wau, hard hit by the shortages.

The rebels have shot down at least one other aircraft flying over territories they control. Several months ago, they downed a Sudanese military plane near the southern provincial town of Rumbek. All aboard were killed, including a young American free-lance photographer based in Cairo.

Since 1983, the rebels have been fighting government troops in the countryside of Sudan's three southern provinces. The civil war has prompted thousands of refugees to flee the countryside and move into towns and villages not only for protection but to search for food and other supplies.

One of the rebel's goals is autonomy for the south, where the people are Christians or animists and speak their own tribal dialects, as opposed to the mostly Moslem, Arabic-speaking people of northern Sudan.

■ Mahdi Ends Moscow Visit

Prime Minister Sadek el-Mahdi said at the end of a visit to the Soviet Union on Saturday that the trip had "opened a new page" in Sudanese-Soviet relations, Tass reported, according to a Reuters dispatch from Moscow.

The remark was in a telegram sent by the Sudanese leader from his airplane to Prime minister Nikolai I. Ryzhkov, Tass said.

The Associated Press

Emigrés Protest Israeli-Soviet Talks

Seven Soviet Jews chained themselves across a Jerusalem intersection Sunday to demand that Israel cancel talks with the Soviet Union. The talks, the first formal diplomatic contact between the two countries in 19 years, were due to open in the Finnish capital of Helsinki on Monday. Page 3.

House-Senate Panel Agrees on Tax Reform

By Anne Swardson
Washington Post Service

WASHINGTON — Congressional conferees have approved the most sweeping changes in the U.S. tax code in more than four decades, a plan that would limit many deductions, dramatically cut tax rates and affect nearly every taxpayer.

The package, approved on a voice vote late Saturday night, would reduce the top individual rate nearly by half, to 28 percent, with one other rate of 15 percent. Such popular deductions as those for Individual Retirement Accounts and state and local taxes would be limited or repealed, but taxpayers would still get a 6.1-percent tax cut on average.

Six million low-income Americans would no longer have to pay federal income taxes as a result of increases in the personal exemption and standard deduction. Companies would pay lower rates, but many corporate breaks would be curtailed and businesses would pay $120 billion more in taxes over six years.

The package now goes to the full House of Representatives and the Senate, where lawmakers are expected to take it up in mid-September when they return from a three-week recess. If both chambers back the plan it will go to the president.

[President Ronald Reagan endorsed the effort, saying, "It's good for the economy and good for the taxpayer," United Press International reported from Santa Barbara, California.]

"I'm thankful for Danny, proud of the conference and grateful for the recess," said Bob Packwood, Republican of Oregon and chairman of the Senate Finance Committee, in a reference to his comrade in tax negotiations, Dan Rostenkowski. Mr. Rostenkowski, Democrat of Illinois, is chairman of the House Ways and Means Committee.

Two days after a near-stalemate, the final plan was assembled so quickly that several conference committee members expressed fears that they were venturing into the unknown. They suggested waiting until after Congress's three-week summer recess to sign the final document.

"I think it's worth taking a little bit of time to know what we're doing," said Representative Bill Archer, Republican of Texas.

Senator John C. Danforth, Republican of Missouri, who had supported the Senate-passed tax bill, angrily recited a list of changes that would raise various business taxes, which he said could hurt the economy.

"I didn't like the House bill when they passed it," he said. "Now we've passed it. When you cross a fair maiden, the Senate bill, with a gorilla, the result is a gorilla."

The late-night agreement followed five days of closed-door meetings between Mr. Rostenkowski and Mr. Packwood, three weeks of trading offers between the House and Senate and a year of legislative struggle to move revision bills through the House and Senate.

After being declared dead countless times during the last year, the fate of tax revision was in peril to the last moment. Senate conferees

See TAX, Page 3.

Highlights of Proposed Bill

INDIVIDUALS

TAX CUTS: Three-quarters of taxpayers would get tax cuts averaging 6.1 percent. About 20 million couples and individuals would pay more, including perhaps one-third of those with income between $30,000 and $40,000. More than six million lower-income couples and individuals now on the tax rolls would pay no tax.

RATES: About three-quarters of taxpayers would pay only the bottom rate of 15 percent. Most others would pay a maximum of 28 percent on part of their earnings.

STANDARD DEDUCTIONS: $5,000 for couples, $3,000 for singles, $4,400 for heads of household.

DEDUCTIONS: Ends deduction for state and local sales taxes; for consumer interest, such as credit cards and car loans, and the special write-off for two-earner couples. Severely restricts deductions for medical expenses and such miscellaneous expenses as union dues. Eliminates charitable deduction for those who do not itemize.

BUSINESSES

TAX INCREASES: Taxes on corporations would be increased by $120.4 billion over five years. Special breaks for specific industries, including oil and gas, timber and banking, would be pared.

TAX RATES: Top corporate rate of 46 percent would drop to 34 percent. Small businesses would pay as little as 15 percent. *(AP)*

U.S. Senate Votes South African Sanctions

By Steven V. Roberts
New York Times Service

WASHINGTON — The Senate has ignored the objections of the Reagan administration and overwhelmingly approved a set of tough economic sanctions designed to undermine the system of racial separation in South Africa.

The vote Friday night was 84-14, with 37 Republicans and all 47 Democrats combining to form a broad, bipartisan majority for the measure.

New American investment in South African companies would be banned by the bill, and a wide range of business relationships would be tightly restricted.

Senator Richard G. Lugar, Republican from Indiana and chairman of the Foreign Relations Committee, assessed the measure this way: "Very clearly we are involved in reshaping foreign policy. This is a very important shift."

The House of Representatives has approved an even more stringent bill, calling for complete withdrawal of American investment, but a similar proposal was soundly rejected by the Senate on Friday. Accordingly, whatever compromise emerges from a House-Senate conference when Congress returns to work next month is likely to follow the lines of the Senate bill.

President Ronald Reagan, who has repeatedly opposed what he calls "punitive sanctions" against South Africa, then would have to face the question of vetoing a popular bill in the middle of an election campaign. The vote Friday indicates that Congress would probably override such a veto.

The chief presidential spokesman, Larry Speakes, said the bill would impede peaceful political change in South Africa and "penalize the people and the economy. He said it would "strengthen the radical elements on both sides in South Africa."

[Foreign Minister R.F. Botha criticized the sanctions vote Sunday, accusing the Senate of "interfering in internal South African affairs," Reuters reported from Johannesburg. "While the South African government is busy broadening democracy, the U.S. Congress is trying to prohibit it," he said.]

During the long debate, many speakers asserted that the president had lost touch with Congress and its constituents on the South African issue.

Senator Alan Cranston, Democrat from California, said, "The president is not speaking for the country on the subject of apartheid."

But there was also a widespread realization that American "influence and leverage are limited," as Mr. Lugar put it.

"Economic sanctions, to be effective, must be carefully targeted" to apply the most pressure on South Africa's governmental and business leaders, Mr. Lugar said.

Other lawmakers added that a major purpose of the legislation was not just to change the South African system but also to identify with black leaders who eventually would take power whenever majority rule was established.

Senator Dale Bumpers, an Arkansas Democrat, warned that if many black leaders were given a choice between the Soviet Union and the United States today, they would choose Moscow. "We are trying to make the statement, and

See SANCTIONS, Page 2.

Reagan Calls House Cuts In Arms Bill 'Reckless'

By Lou Cannon
Washington Post Service

SANTA BARBARA, California — President Ronald Reagan has denounced the overhaul of the defense authorization bill adopted by the House of Representatives, saying the action undermines U.S.-Soviet arms-control negotiations and endangers national security.

The fiscal 1987 bill, adopted largely on party lines Friday by the Democratic-controlled House, is the most fundamental challenge of Mr. Reagan's presidency to his military buildup.

The legislation would provide $286 billion, $34 billion less than Mr. Reagan requested and $9 billion less than a Senate version of the bill. The Senate bill provides for growth to keep pace with inflation.

Delegations from the House and Senate will meet in mid-September to try to reconcile the two versions.

In a radio speech that was taped Friday and broadcast Saturday as the president flew west for a three-week vacation, Mr. Reagan drew battle lines for the 1986 election by saying he was prepared to veto the House military bill and make national security the principal issue of the midterm campaign.

"The House defense bill is a reckless assault upon the national defense of the United States," Mr. Reagan said. "It threatens our hopes for arms control and moves us back toward an era in policies which the American people emphatically rejected in the last two national elections."

The president expressed particular displeasure at provisions in the House bill to extend a one-year moratorium on space tests of anti-satellite weapons, to impose a one-year moratorium on nuclear tests if the Russians did likewise, to prohibit production of chemical weapons and to prevent spending for deployment of any nuclear weapons that exceeded the limits of the unratified SALT-2 treaty.

Mr. Reagan also cited the House cut in funds for his Strategic Defense Initiative, the research program aimed at producing a missile defense program. Mr. Reagan sought $5.3 billion for SDI, while the Senate approved $3.9 billion and the House $3.1 billion.

The Senate rejected by narrow margins the restrictions imposed by the House on anti-satellite and nuclear tests and production of chemical weapons. The Senate also urged continued compliance with SALT-2 but did so with language that did not bind administration spending.

White House officials have indicated privately that they would be satisfied with the Senate version of the military budget, though it also falls far below administration requests.

Arthur Tsang/Reuters

Protesters trying to extinguish tear gas fired Sunday by the police in Karachi. Page 2.

Fight for Control of Pakistan Shifts To the Streets Earlier Than Expected

By Richard M. Weintraub
Washington Post Service

LAHORE, Pakistan — The battle for political control of Pakistan has shifted to the streets far earlier than anyone expected, with consequences for this country's leadership and for the United States.

The government's claim of progress toward democracy and the opposition's so far hollow boasts that it has the support and organizational skill to put thousands of activists on the streets for extended periods will be put to the test in coming weeks.

There are indications that neither side really wanted events to unfold as quickly as they have and that bungling and miscalculation may have forced the issue.

Whether by design or accident, however, the detention of hundreds of opposition leaders last week and the deaths of at least three persons during demonstrations Thursday has changed a gentlemanly game of political cricket into a bareknuckled test of power.

It is a test U.S. policy-makers will be watching closely, as indicated by the State Department's quick

NEWS ANALYSIS

expression of displeasure following Wednesday's mass detentions of leaders and activists of the opposition Movement for the Restoration of Democracy.

Less than a month before, President Ronald Reagan had praised Prime Minister Mohammed Khan Junejo for the restoration of civilian rule in Pakistan, as the two countries took steps to expand the web of ties that have developed out of mutual interests since the 1979 Soviet intervention in Afghanistan.

Throughout his trip to the United States, Mr. Junejo spoke of Pakistan's return to democratic rule after nine years of martial law under President Mohammed Zia ul-Haq. He undoubtedly did so with an eye not only to his general public standing but also to Congress, which must act within the next few months to allow the multibillion-dollar U.S. aid program to Pakistan to continue.

Since Mr. Junejo emerged on the political scene following elections in February 1985, U.S. officials have spoken glowingly of his assertion of control over Pakistani government and politics and of General Zia's efforts to project an image of the military returning to the barracks after almost a decade of martial law.

The result, intended or not, is a close connection in the Pakistani public mind between the Zia-Junejo governments and the United States.

Benazir Bhutto, the opposition leader who now is in detention near Karachi, has taken pains to dampen anti-American sentiment within her Pakistan People's Party, but the sentiment exists and could easily burst out as the political atmosphere becomes more heated.

Miss Bhutto and her strategists had intended to bring things to a boil in the early fall, allowing themselves more time to build on the outpouring of people who welcomed her on her return to Pakistan in April and to cement the new alliance between her party and the Movement for the Restoration for Democracy. Until now, her party's rhetoric has been far ahead of its demonstrated strength.

Independence Day rallies on Thursday were to have been another building block.

Nor did the government appear to be spoiling for a fight. With its democratic image on the line and its own political party, the Pakistan Moslem League, still in the building stage, it appeared content to hold its own rally in Lahore to show that it, and not the Movement for the Restoration of Democracy, held the true allegiance of Pakistan's 90 million people.

Then, according to sources, signs of nervousness began to show. There was talk in the bazaars of Lahore of both sides arming them-

See PAKISTAN, Page 2.

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BUSINESS/FINANCE

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TOMORROW

How North and South Korea cope with the pressures for change that their governments face. First of a series.

Marcos Directed Revolt, Telephone Notes Indicate

By Seth Mydans
New York Times Service

MANILA — Notes taken by a telephone operator when the Manila Hotel was taken over during a rebellion in July appear to show both advance knowledge and direct involvement by former President Ferdinand E. Marcos from his exile in Honolulu.

A transcript of the notes was provided Saturday by a Malacañang Palace source. It quotes Mr. Marcos, in a series of telephone calls to the hotel, as giving instructions to two of the leaders of the takeover and urging them to call for his return to the Philippines.

"Tell Turing to draft a resolution and send to Reagan at the White House stating you want me back there," the transcript quotes Mr. Marcos as having told one of his supporters in the hotel.

Turing is the nickname of Arturo M. Tolentino, Mr. Marcos' running mate in the election Feb. 7. Mr. Marcos was accused of stealing the election. He fled the country Feb. 26 in the face of a military and civilian revolt.

Mr. Tolentino declared himself acting president July 6, at the start of the incident against the government of President Corazon C. Aquino.

Mr. Marcos has denied any role in the planning or execution of the takeover.

The White House has said it would have to review Mr. Marcos's status as a guest in the United States if it were shown that he was involved in "partisan political activities" in the Philippines.

An auction of Marcos memorabilia in New York brought in $850,000. Page 3.

Such activities could violate the U.S. Neutrality Act, which bars persons resident in the United States from supporting or engaging in activities hostile to a nation with which the United States is at peace.

A government commission in Manila reported Thursday to Mrs. Aquino that the incident had been a "preplanned and premeditated conspiracy" to destabilize her government.

If events had developed favorably, the commission concluded, "it could readily have been transposed to an actual takeover or coup d'etat."

The transcript was part of the evidence used by the commission to reach its conclusions.

The telephone conversations, which were transcribed by the operator at the instruction of hotel officials, appear to show that Mr. Marcos had a thorough foreknowledge of the events and was directing their development.

At one point, Mr. Marcos is quoted as saying: "I have three men there in the hotel observing things."

At another, he advises his contact of the imminent arrival at the hotel of other participants.

Throughout the conversations he appears to be issuing a series of commands.

According to military and hotel sources, telephone operators at the hotel switchboard listened in on seven conversations between Mr. Marcos and the occupiers of the hotel during the first 14 hours of the takeover, which began on a Sunday afternoon after Mr. Tolentino declared himself acting president.

Early Monday morning, the telephone operators left the hotel when all employees were evacuated along with guests. No count was possible of any calls that may have been made made during the next 24 hours until the occupiers surrendered peacefully.

According to the transcript, the first call from Hawaii came between 6 and 7 P.M. The caller asked for Rafael Recto, a lawyer working for the former president and one of the most visible ringleaders during the takeover.

"How are you there?" said a voice the operator identified as that of Mr. Marcos.

"Sir, we're O.K.," Mr. Recto replied. "General Zumel and General Montano have talked. They are trying to organize things."

General Jose Maria Zumel was one of the military leaders of the incident. General Ramon E. Montano heads the city's police forces and was involved in attempts to resolve the takeover.

"Exercise maximum tolerance," Mr. Marcos is quoted as saying next. "Don't march toward Malacañang."

AP

Ferdinand E. Marcos

Malacañang is the presidential palace.

"Just in case you feel that the military is going to strike," Mr. Marcos is quoted as saying later, "I do not want civilians hurt. Keep the civilians away from the firing."

5 Ex-U.S. Officials Urge 10-Year SDI Test Ban

By Charles Mohr
New York Times Service

WASHINGTON — Five former senior policy-makers have suggested to the Reagan administration an arms strategy that would include an agreement with the Soviet Union to put off testing of space weapons for up to 10 years.

The former officials, who served in the administrations of Presidents Richard M. Nixon, Gerald R. Ford and Jimmy Carter, suggested that the United States follow what is called a "restrictive" interpretation of the 1972 treaty limiting anti-missile defenses.

They also said the United States should continue to abide by the numerical limits on long-range nuclear weapons in the unratified 1979 treaty on strategic arms, known as SALT-2.

These and other proposals were included in a 3,500-word "talking paper" sent to Secretary of State George P. Shultz on Aug. 1 by Harold Brown, who was defense secretary under President Carter.

An accompanying letter said the document's "general thrust is endorsed" by Melvin R. Laird, defense secretary under President Nixon; James R. Schlesinger, defense secretary under Presidents Nixon and Ford and energy secretary under Mr. Carter; Brent Scowcroft, national security adviser to Mr. Ford; and Cyrus R. Vance, secretary of state under Mr. Carter.

The paper said that although the former officials had differences of emphasis, "We nevertheless agree on these prescriptions and commend them to the administration and the Congress as a basis for U.S. policy and programs."

Mr. Reagan is reported to have proposed a seven-and-a-half-year delay in deployment of anti-missile weapons but would permit testing and development. The Soviet Union proposes a 15- to 20-year extension of the ABM treaty, with only laboratory research allowed and no testing in space.

The 10-year testing moratorium

See SDI, Page 2.

Relief Officials Sound Alarm Over the Drop In Assistance for Africa

New York Times Service

UNITED NATIONS, New York — A drastic drop in private and government contributions to African emergency relief programs threatens millions of people still facing starvation, officials at relief and development agencies say.

Officials at UNICEF, Save the Children, World Vision and other organizations said the drop might harm their ability to sustain both relief and rehabilitation programs at a time when millions of Africans still depend on food distribution.

They said the decline in aid had come at a time when African countries were trying to farm again.

"The fund-raising situation is catastrophic," said Reinhard Freiberg, the deputy director of funding at the United Nations Children's Fund.

UNICEF's emergency appeal for Africa has netted $13 million this year, compared with $102 million last year.

Many relief officials attributed the drop in contributions to a widespread misperception by both governments and the public that the crisis was over. Some experts say the very success of the relief effort had been responsible for what they called "donor fatigue."

Save the Children received $6.7 million in private contributions for Africa in 1985 but has taken in only $368,000 this year.

Monthly donations to World Vision's Africa programs have dropped to about 40 percent of last year's level, according to Mark Publow, a spokesman for the organization. The anticipated shortfall has forced the group to cut its African relief budget from $42.7 million in fiscal 1986 to $17.2 million in the coming fiscal year.

Nearly 18 million Africans still depend on food distribution for their survival, according to the United Nations Office of Emergency Operations in Africa.

About three million people are encountering food shortages and more than one million face imminent starvation. Many of these are in southern Sudan and in Ethiopia, where civil strife has hampered relief efforts.

Although most of the continent's grain needs have been met, the UN office estimates Africa will require $535 million in emergency nonfood aid this year, much of it to transport food and meet emergency health, sanitation and shelter requirements.

Only $165 million of this total has been contributed so far, according to the office, and UNICEF reports a critical shortage of supplies in Angola, Chad, Ethiopia, Mozambique and the Sudan.

According to one report, nearly $187 million in private contributions were raised by the 33 largest relief agencies, excluding the Red Cross, from November 1984 to March 1986. All of the agencies said they had spent nearly all the money raised.

Among government donors, the elimination of almost all emergency nonfood aid for Africa from the U.S. Agency for International Development has particularly hurt the relief effort, relief officials said.

The agency distributed $135 million in nonfood aid during the 12 months beginning April 1985, much of it through nongovernmental relief groups. Only about $7 million has been offered since April 1986, most of it for an emergency program to combat locusts.

On Wednesday, the Senate voted to shift $300 million from an African emergency-relief fund to economic assistance for Central America as part of the aid program for anti-Sandinist rebels.

Officials at the agency in Washington said they believed that all legitimate emergency needs in Africa had been met and that relief groups were inflating their emergency need lists with developmental wants.

The Associated Press

BELGIAN BUS CRASH KILLS SIX — The wreckage of a bus lying in a street in Stavelot, Belgium, after it went out of control on a hill and crashed into an empty house Sunday, killing 6 and injuring 35. Several children were among the victims.

SANCTIONS: *Senate Approves*

(Continued from Page 1)

convince those people, that yes, we do care," he said.

The economic sanctions in the bill were strengthened significantly when the Senate accepted an amendment offered by Senator Edward M. Kennedy, Democrat of Massachusetts, that was designed to bring American sanctions in line with those imposed by the Commonwealth countries.

These additional provisions include a ban on the importing of agricultural products, iron and steel from South Africa, as well as an embargo against the export of crude oil and refined petroleum from the United States.

The legislation includes these additional sanctions:

- Imports from companies owned or controlled by the South African government would be embargoed.
- All imports of uranium, coal and textiles would also be prohibited.
- Landing rights for South African airlines would be canceled.
- The use of American banks by government personnel and entities would be restricted.

Another provision makes permanent a series of measures taken by the president last year that are due to expire next month. These include a ban on the import of Krugerrands, the South African gold coins, and the export of computer technology to agencies that help enforce apartheid.

The bill also provides for additional measures in one year if progress toward dismantling apartheid has not been made.

These include a prohibition on American military aid to countries that supply South Africa with military goods and a ban on the importation of strategic minerals.

The sanctions would end if South Africa freed Nelson Mandela, the imprisoned black nationalist leader, and took other actions, such as lifting the current state of emergency, legalizing democratic political parties and releasing political prisoners.

■ 5 Killed by Land Mine

The South African government said a land mine exploded Sunday underneath a private car on a farm road, killing three black women and two children, The Associated Press reported from Johannesburg.

The mine, which also injured two black men in the car, went off near the town of Nelspruit, about 180 miles (300 kilometers) east of Johannesburg, the Bureau for Information said.

There has been a series of similar explosions in the north and east of Transvaal province since November 1985.

Soviet Fleet Conducting Huge Exercises, U.S. Says

By John H. Cushman Jr.
New York Times Service

WASHINGTON — The Soviet Union's Pacific Fleet is engaged in one of the largest exercises it has conducted in recent years, according to U.S. Navy officials.

"After observing the buildup of the Soviet Pacific Fleet over the past few years, now the largest of their four fleets, we were expecting them to go to work to build their proficiency," said Admiral James A. Lyons Jr., commander of the U.S. Pacific Fleet, in a statement issued last week.

U.S. ships and aircraft are monitoring the Soviet maneuvers.

The Soviet Pacific Fleet has grown from about 200 ships in 1960 to perhaps 400 ships and 130 submarines today, the secretary of the navy, John F. Lehman Jr., said recently.

In all, 14 to 18 surface ships are engaged in the maneuvers, a navy official said. It is believed that about 16 submarines have also been involved in the exercises, along with land-based aircraft.

The aircraft carrier Minsk, one of the largest ships in the Soviet Navy, joined the exercises. It is able to carry steep-takeoff Forger jet aircraft as well as helicopters.

The exercises began Aug. 8 and have been growing in size and complexity since then, a navy official said.

At first, the war games seemed to involve mainly ships operating in the Sea of Okhotsk, between the Kamchatka Peninsula and the Siberian mainland.

Navy officials said the Soviet Union began the maneuvers by taking actions that in wartime would secure the sea, a zone where Russian ballistic missile submarines operate.

By Aug. 11, though, a "new phase" of the exercise began as the nuclear-powered Frunze, a battle cruiser that is a recent addition to the Pacific Fleet, left Vladivostok, a navy officer said.

"The surface action group she sails with is not a defense-of-the-homeland force," a navy officer said. "That's a sea power projection force."

The ship is armed with cruise missiles, among other weapons.

Several ships passed through La Pérouse Strait north of Japan, then sailed through the Kuril island chain and into the North Pacific.

Naval intelligence has detected signs of activity that suggest that the maneuvers may extend as far south as Cam Ranh Bay in Vietnam, where the Soviet Navy is using a base built by the United States during the Vietnam War and since expanded.

Australia, the United States and other allied nations recently completed their own exercises, the latest in an annual series known as Rimpac that involves many Pacific nations.

South Yemen Jets Force Landing of Air Djibouti Plane

Reuters

DJIBOUTI — Two South Yemeni MiG fighters intercepted an Air Djibouti Boeing 720 over the Red Sea on Saturday and forced it to land at Aden, official sources in Djibouti said Sunday.

Sources said South Yemeni armed guards forced the 59 passengers to disembark and kept the plane on the ground for four hours while they searched it for opponents of the Aden government and supporters of a deposed president, Ali Nasser Mohamed.

Hussein Kassem Ahmed, an aide to the former president, was aboard the plane that was flying to Djibouti from the North Yemeni capital, Sanaa, they said.

Mr. Ahmed departed with the rest of the passengers after the Ethiopian pilot refused to leave without him, they added.

Foreign Minister Moumin Bahdon Farah of Djibouti summoned the South Yemeni chargé d'affaires Sunday and gave him a note protesting what he called "this grave and disturbing act of piracy."

Official sources said Djibouti suspended air and sea links with South Yemen.

Hurricane in North Carolina

Reuters

DUCK, North Carolina — A hurricane designated Charley, with winds of up to 80 miles (130 kilometers) an hour, struck the North Carolina coast Sunday, forcing thousands to flee the beachfront resort areas along the Outer Banks of Cape Hatteras.

Chinese Move Against Friend of Expelled Writer

Washington Post Service

BEIJING — Chinese security officials have seized the papers and other personal belongings of the American lawyer who traveled in China with John F. Burns, a New York Times correspondent who was expelled last month, according to a U.S. official.

The official said Sunday that police from China's Public Security Bureau seized the belongings of Edward McNally, a lawyer on leave from the U.S. Justice Department who had been teaching American law for the past year at a Beijing university.

Mr. McNally left Beijing before Mr. Burns's arrest July 17 and reportedly has decided not to return. Mr. Burns was charged with traveling in an area off-limits to foreigners.

Chinese sources said Zhang Daxing, a Chinese citizen who accompanied Mr. Burns and Mr. McNally on their trip, was now under arrest. No details were available on Mr. Zhang's whereabouts.

Mr. Burns had described Mr. Zhang as part traveling companion and part interpreter for him and Mr. McNally during the trip. Mr. Zhang had recently returned to China after studying at Middlebury College in Vermont.

The Associated Press

Julie Tullis as she prepared to climb the 28,250-foot peak.

6 Climbers Freeze to Death On Mountain, Survivor Says

The Associated Press

ISLAMABAD, Pakistan — Six mountain climbers, including two women, froze to death after climbing K-2, the world's second highest peak, when a blizzard trapped them for more than a week, a survivor said Sunday.

Kurt Diemberger, an Austrian mountaineer and filmmaker, said in a telephone interview from the northern town of Skardu that two Austrians, two Britons and two Poles had died this month on the 28,250-foot (8,611-meter) mountain.

Mr. Diemberger said he and a fellow Austrian, Willi Bauer, were the only survivors from the eight mountaineers who had been trapped in a makeshift camp near the summit of K-2. Both suffered severe frostbite.

The eight belonged to Austrian, British and Polish expeditions that had been climbing or descending K-2, which is in the Pakistan-administered territory of Jammu Kashmir near the Chinese and Indian borders.

The eight mountaineers were near each other and close to the summit when a blizzard hit Aug. 7, Mr. Diemberger said.

He said that they had taken refuge in the camp, but the blizzard lasted more than week and the mountaineers ran out of food, becoming weak and ill from the cold and the lack of oxygen.

The five persons who died in the camp were Julie Tullis and Alan Rouse of Britain; Hannes Wieser, 30 and Alfred Imitzer, 43, of Austria; and Wojtek Wroz of Poland, Mr. Diemberger said.

Mr. Diemberger, Mr. Bauer and a second Polish climber, Dobrolsawa Miodowicz, managed to get out of the camp after about seven days and start down the mountain. Mr. Diemberger said he last saw Miss Miodowicz at about 19,800 feet when he and Mr. Bauer were descending.

The British Embassy in Islamabad confirmed Mrs. Tullis's death, but it said it could not determine what had happened to Mr. Rouse.

Mr. Diemberger and Mr. Bauer reached a base camp where South Korean mountaineers cared for them until a Pakistani military helicopter flew them to Skardu, Austrian diplomats said.

Car Bomb at Shrine in Iran Leaves 13 Dead, 100 Injured

Reuters

TEHRAN — Thirteen persons died after a car bomb exploded Saturday in the Iranian holy city of Qom, Tehran Radio reported Sunday. It said 100 people were injured.

The radio blamed "agents of America" for the blast in the city 80 miles (130 kilometers) south of Tehran.

The radio said the bomb was in an automobile parked next to the gate of the Shrine of Hazrat Masouma, sister of the eighth Shiite Imam. Five other cars were destroyed and more than 10 shops and hotels, as well as decorations on a mosque inside the shrine, were damaged in the explosion, the radio said.

Iranians were celebrating Eid al-Adha, the Moslem Feast of the Sacrifice, and on such occasions the shrine and its surrounding courtyard and outer streets are normally packed with pilgrims from throughout the country.

2 Protesters Reportedly Shot to Death In Karachi

Reuters

KARACHI, Pakistan — Pakistani police shot and killed two demonstrators in anti-government protests in Karachi on Sunday, according to opposition party workers.

They said that other people had been wounded when police opened fire on the demonstrators on the fifth day of protests by opposition supporters calling for the release of their imprisoned leaders.

Witnesses said the riot police had fired rifles after failing to disperse a crowd of several hundred youths with shotgun pellets and tear gas.

The protesters threw rocks at the police and blocked narrow streets in the market area of the city.

Police would neither confirm nor deny that they had opened fire.

At least three persons were shot and killed by police in the Punjab provincial capital of Lahore on Thursday during nationwide protests against a government crackdown on dissidents.

The opposition workers said a girl who had been hit in the head by a tear-gas canister Saturday had died Sunday. No confirmation of the report was immediately available.

One person was killed in a clash between activists of the opposition Pakistan People's Party and supporters of Prime Minister Mohammed Khan Junejo's Moslem League Party, members of the opposition said.

They said the two groups had exchanged gunfire at Sanghar town, near Mr. Junejo's home village, 240 kilometers (150 miles) from Karachi.

Troops were rushed to Hala as violence persisted throughout southern Sind province, an opposition stronghold, witnesses said.

PAKISTAN: *Street Protests*

(Continued from Page 1)

selves. Political analysts said there was some fear in government ranks that even if there were not clashes, which could reflect poorly on Mr. Junejo, some of his followers would join Miss Bhutto.

At a special cabinet meeting attended by top intelligence officials, it was decided that Mr. Junejo would go on national television and announce he was calling off his Moslem League rally to preserve the sanctity of Independence Day and appeal to the opposition movement to do the same.

Officials at the meeting reportedly decided that if the movement refused to go along, they would crack down quickly, banning demonstrations and detaining party leaders and middle-level organizers.

"There were possibilities of clashes on the way to Lahore and in Lahore," the Punjab's chief minister, Nawaz Sharim, said Saturday. "We had information some mischief mongers would create problems of law and order. There was an element of fright in the city."

He defended the crackdown, even though it undercut the carefully nurtured image of democratic rule.

"The prime minister or I, as politicians, may have wanted to go ahead with the rallies, but as prime minister and chief minister we must see that there is no threat to law and order," he said.

Political observers believe that the opposition strategy is to put enough pressure on the police forces that the government will be forced to call on the army.

The army comes almost entirely from Punjab, and the opposition appears to be betting that Punjabi soldiers would not fire on Punjabi demonstrators.

Both sides agree that more deaths due to political violence will force the pace of events.

So far, Miss Bhutto's party and its allies have not demonstrated that they have the numbers to force such a confrontation. Their next test comes Monday, when they have called for a general strike to protest Miss Bhutto's arrest.

WORLD BRIEFS

U.S. Commissions 8th Trident Sub

GROTON, Connecticut (AP) — The U.S. Navy has commissioned its eighth Trident nuclear submarine, the 560-foot (170-meter) Nevada.

Tridents are the navy's largest submarines. Five more are under construction. The Nevada, launched in September 1985, can carry 24 multiple-warhead nuclear missiles.

About 100 protesters demonstrated against nuclear arms outside the Groton shipyard of Electric Boat, a division of General Dynamics Corp., during the commissioning Saturday. Twelve persons were arrested.

New Soviet Culture Minister Is Named

MOSCOW (Reuters) — Vasili Zakharov, 52, a Communist Party propaganda specialist, has been appointed the Soviet Union's minister of culture by the Presidium of the Supreme Soviet, filling a post that had been vacant for nearly two months.

The official press agency Tass reported Saturday that Mr. Zakharov, 52, had succeeded Pyotr N. Demichev, who was appointed to the largely ceremonial post of first vice president in June after 12 years as culture minister. The Culture Ministry had been one of the last major Moscow ministries to feel the impact of the leadership of Mikhail S. Gorbachev, who has been gradually replacing personnel in key party and government jobs.

Mr. Zakharov had previously served as first deputy chief of the Central Committee's propaganda department. He joined the 307-member party Central Committee at its congress in March. Since January he had been second secretary of the Moscow party organization under Boris N. Yeltsin, a nonvoting Politburo member and a strong supporter of Mr. Gorbachev.

Korea Opposition Assails U.S. Envoy

SEOUL (Reuters) — South Korea's leading opposition party has demanded that the U.S. ambassador, Richard L. Walker, be replaced.

A spokesman for the New Korea Democratic Party asserted that Mr. Walker had played a major role in the Seoul government's conclusion in January of a $470,000, one-year contract with Michael K. Deaver, the Washington lobbyist. Mr. Deaver, former White House deputy chief of staff, is under congressional investigation in connection with allegations of conflict of interest.

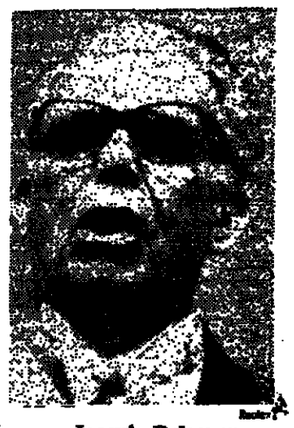
"We are also urging Walker's replacement or recall home because he has contributed to breeding anti-American sentiment among the Korean people by identifying himself with the policies of the current regime," said Kim Dong-yong, the opposition party's parliamentary floor leader.

Dominican Republic Leader Sworn In

SANTO DOMINGO, Dominican Republic (LAT) — Joaquin Balaguer, a conservative historian and poet, returned to the presidency of this Caribbean island republic for the fifth time Saturday with a pledge to fight poverty and official corruption.

Mr. Balaguer, who first served as president in the early 1960s by appointment of the dictator Rafael Trujillo, accepted the presidential sash again two weeks short of his 79th birthday. He denounced the Trujillo era as "30 years of darkness." Trujillo was assassinated in 1961.

Earlier on Saturday, Balaguer assured Secretary of State George P. Shultz that the Dominican Republic supported Reagan administration policies in Central America. Mr. Balaguer was elected in May.



Reuter

Joaquín Balaguer

China to Launch 4 Brazilian Satellites

BEIJING (UPI) — China, which already has agreed to use its rockets to put U.S. and Swedish satellites into orbit, will launch four Brazilian satellites, the Xinhua press agency said.

Three will be for meteorological observation and the fourth will survey natural resources, Xinhua said Saturday.

At least 12 foreign companies have approached China since Beijing announced last year that it was entering the lucrative market for launching satellites. Many did so after the explosion Jan. 28 of the U.S. space shuttle Challenger. The European Arianespace program also has been delayed.

2 Seaman Are Killed in Gulf Attack

BAHRAIN (Reuters) — Two seamen were killed and three were wounded Sunday in an air attack on a chemical tanker in the Gulf, shipping sources said.

The vessel, the 10,316-ton Weelek No. 3, was hit by at least two missiles, Lloyd's Shipping Intelligence reported in London. The attack took place near the mouth of the Gulf. A fire on board was extinguished by the crew, and the ship reached Dubai under its own power, the sources said.

Soviet Jew Begins Exit Hunger Strike

MOSCOW (Reuters) — A Jewish woman has started a hunger strike in her quest for permission to leave the Soviet Union in order to donate bone marrow to her brother, who is dying of leukemia in Israel, her husband said Sunday.

Inessa Fleurova, a sociologist, started refusing food Saturday after the authorities failed to made a decision, as they had promised, on her application for an exit visa, her husband, Viktor, said in an interview. She had sought permission to leave the country temporarily but was refused the necessary references from her employers. She then applied for permanent emigration for her family, including two daughters.

For the Record

Lightning ignited more range and forest fires Sunday in the dry Northwest of the United States, where nearly 400,000 acres (161,000 hectares) have been burned in the past week despite the efforts of 17,000 firefighters. Officials issued a top-level fire warning in areas of Idaho, Montana, eastern Washington and eastern Oregon. *(AP)*

Three opposition parties in Liberia whose leaders have been detained said they would ignore a government ban and hold a protest march on Monday in Monrovia. *(AP)*

• • •

Travel Note

■ **Belgrade's international airport will be closed** Sept. 19-25 for runway reconstruction, airport authorities said Saturday. Most European, Mediterranean and domestic flights will be transferred to Belgrade's smaller Batajnica airport, while intercontinental flights will be redirected to Pleso airport in Zagreb, northern Yugoslavia. Most foreign airlines will cancel Belgrade flights or reroute them to Zagreb, authorities said. *(Reuters)*

SDI: *5 Former Officials Urge 10-Year Delay on Tests*

(Continued from Page 1)

proposed by the five former officials falls between these positions.

The five men's proposals would require President Ronald Reagan to reverse some policies, such as his decision in May to end compliance with the 1979 arms treaty later this year.

They also clash with the opinions of Defense Secretary Caspar W. Weinberger on several unresolved issues. These include whether to preserve the 1972 ABM treaty and whether to follow a restrictive interpretation rather than a more permissive interpretation, which would permit unlimited development and testing of anti-missile defense technologies.

On the other hand, they recommend keeping open production lines for the MX intercontinental ballistic missile and several other steps that Mr. Reagan is likely to welcome.

The central philosophy of the paper seems to be that the United States should maintain and strengthen the policy of nuclear deterrence based on the threat of retaliation against possible attack, rather than seeking a rapid transition to active defenses against Soviet missiles.

On the Strategic Defense Initiative, the space-based anti-missile defense system, the former officials urged that research continue but at a "measured" pace that would "keep technologies open but avoid foreclosing arms control options."

This can best be done, they said, by "being very cautious about space-based weapons systems." The paper said such weapons might upset the nuclear balance and that limited defense of missile silos and other key military installations could be accomplished with rocket interceptors on the ground.

To maintain measured but "efficient" progress in missile defense research, the former officials said, appropriations should be increased "on the order of 10 percent per year" for the next several years.

This is less than the increase of about 30 percent authorized by the Senate for 1987 and much less than the increase of about 75 percent sought by Mr. Reagan.

Saying that the strategic "desirability" of an anti-missile defense is not yet clear, the paper said work on the system should be restricted to "research and technological development" rather than full-scale engineering development. The former involves the demonstration of a technological principle; the latter is the first stage in procuring and deploying a weapon.

The five said they believed that a limited defense of missiles was possible by the end of the century but that "a significant degree of protection of the population, if feasible at all in the face of countermeasures, would be decades away."

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Despite Go-Ahead on Shuttle, NASA Faces Diminished Role

By David E. Sanger
New York Times Service

NEW YORK — With President Ronald Reagan's decision to build an orbiter to replace the destroyed Challenger, NASA appears to have won a major victory as it struggles to recover from the largest disaster in the history of space exploration.

But officials of the National Aeronautics and Space Administration and outside experts agree that the victory came at a high price.

Because the administration's new policy, announced Friday, forces the agency to give up new commercial ventures and pay for a good part of the new orbiter, NASA's role in the space program will be significantly diminished, they say.

Experts expect that the agency will almost certainly have to forgo several of the scientific missions that, along with launching satellites and conducting experiments for industry, justified the construction of the shuttle in the first place.

"NASA was ill-suited to be a transportation service company, and it will no longer be one," said John Logsdon, a space expert at George Washington University. "But it would be a tragedy if in the process it cost the space program so much money to recover from the Challenger accident that it is paralyzed from doing anything else."

For NASA, resolving the question of a fourth orbiter had in recent months taken on tremendous symbolic importance.

The replacement of the Challenger had become the litmus test of the willingness of the United States to carry on with the space program.

A seemingly endless stream of disclosures first shattered the agency's image of efficiency and accomplishment, and then raised the possibility that negligence by NASA might have contributed to the killing of the seven Challenger astronauts on Jan. 28.

NASA officials believed that only the construction of the orbiter would enable them to look to the future again.

"It was the step everyone had to get past," said S. Neil Hosenball, formerly NASA's general counsel and now head of the Center for Space Policy at the University of Colorado. "I hate to think of the signal it would have sent if the decision had gone the other way."

NEWS ANALYSIS

Assessing the true cost of that decision may take years.

While NASA has struggled with the Challenger investigation, the Defense Department has reasserted its role in space, announcing plans for a new medium-size unmanned rocket to handle many of the payloads originally intended for the shuttle fleet.

The removal of NASA from the commercial satellite business will probably leave the Defense Department as the customer for at least half of the shuttle's major missions.

Those two events have raised fears inside and outside the space agency that the Pentagon will become the driving force of the nation's space program, rather than just another shuttle user.

"I think the fear is overstated," said Anthony J. Iorillo, the president of the space and communications group of Hughes Aircraft Co. "But certainly the Defense Department will be influential, and now perhaps even more influential."

Larry Speakes, the president's chief spokesman, denied that NASA's civilian efforts were being diminished.

"There has been some speculation that we are contributing to the militarization of space," he said. "That is simply not true."

At the same time, some analysts contended that by requiring NASA to pay for a significant portion of the new orbiter the administration was doing little to ease the space agency's burden.

For one thing, the money for a new orbiter is being doled out at a rate that will not permit completion of the shuttle until 1991, a year or two later than most had hoped.

The price for continuing will be paid in many ways, many space experts expect.

Scientific projects already under way, like a space telescope, will probably proceed, though at a slower pace. But it seems unlikely that many new scientific ventures will be started. The agency will have neither the funds nor the payload capacity to support them.

The construction of the fourth orbiter seems likely to slow further the plans to build a manned space station in the mid-1990s, a project that was running into trouble even before the Challenger disaster.

Even with a four-orbiter fleet in operation by 1991, few space experts believe NASA can achieve the flight rate needed to construct, maintain and staff the station, and to many on Capitol Hill the goals of the project still seem fuzzy at best.

If the administration action means a trimmed NASA space effort, it also means trimmed revenue.

Ever since the development of a shuttle was first considered in the administrations of Presidents Lyndon B. Johnson and Richard M. Nixon, the project was expected to become self-supporting from the fees generated by sending satellites and commercial experiments into orbit. The decision to remove NASA from the transportation business, however, seems likely to accentuate the budget pressure.

Just hours after the new policy was announced, there were already doubts over whether the economics had been thought through.

While the White House insisted that money for some of the early stages of building a new orbiter would come from savings accrued while shuttle flights were suspended, Senator Slade Gorton, a Washington Republican who is chairman of the subcommittee that oversees NASA, noted: "It doesn't save money not to fly the shuttle, it costs money."

"The fact of the matter is that there are no 'savings' kicking around to pay for all this. The money doesn't exist, and NASA is being precluded from raising any revenue. I don't see how we can approve this."

Ship Captain Denies Role In Smuggling

By James M. Markham
New York Times Service

BERLIN — The West German freighter captain accused of illegally smuggling 155 Sri Lankan refugees to the Canadian coast was reported to have denied involvement in the affair and said he was sailing back to West Germany to clear his name.

Reached by shore-to-ship telephone in the Atlantic, Wolfgang Bindel, the captain of the 424-ton freighter Anrigae, told a West German radio station that he had dropped off two lifeboats in the Belgian port of Zeebrugge on July 29 and sailed for Senegal.

According to the Norddeutschen Rundfunk, which said it reached him at sea late Friday night, the captain denied having taken on the Tamils at the north German port of Brake on July 28 and said he had never been in Canadian waters.

On Friday, the Hamburg police said Mr. Bindel appeared to have received $340,000 for taking the Tamil refugees across the Atlantic, where they were rescued by fishermen Tuesday.

Saturday afternoon, a Hamburg police spokesman said that Mr. Bindel had not contacted the department and that it had no reason to modify its accusation. The police have arrested two Tamils and a Turk in Hamburg and charged them with complicity in the smuggling plot.

The police said Tamil refugees had been recruited from different communities in West Germany and taken to Brake, where they were put aboard the Honduras-registered Anrigae.

Ludger Pooth, a reporter for Norddeutschen Rundfunk in the northern town of Stade, said that in a three-minute conversation late Friday night, the ship's captain asserted that he had reversed course and was headed toward Bremerhaven after being told by his wife of the accusation against him.

Mr. Pooth said the captain, 45, confirmed that he had sailed from Brake on July 28, as the police say, but said that he had dropped off two lifeboats bearing the name "Regina Maris" in Zeebrugge the next day. Last Tuesday, the Tamils were found floating in two such boats off Newfoundland.

Doubt, however, was cast on the captain's account by the port authorities in Zeebrugge, who said they had no record of the Anrigae having put in there in the last five weeks.

Moreover, during the day Friday, the Anrigae was fixed by the West German shore-to-ship telephone service, Norddeich, as being near the Azores, a location that would have put it off the course that Mr. Bindel told Mr. Pooth he was following. When the radio reporter spoke to him late Friday night, the captain said he was off the coast of Casablanca.

"He sounded very sure of what he said," said Mr. Pooth, who noted that a course from Newfoundland to West Germany could have taken the Anrigae past the Azores. "Everything he's saying seems to be false, but if he's a liar, he's a good liar."

■ **Police Unit Attacked**

The authorities said arsonists caused heavy damage Sunday to the offices of a police unit investigating the smuggling of the Sri Lankan refugees, The Associated Press reported from Hamburg. No one was injured.

The symbol of the extremist Revolutionary Cells organization was spray-painted on one wall with the words, "Against police raids, against deportations," police said.

Mario Suriani/AP

Susan Marcus holds a pair of shoes that were among items on sale at the auction in New York.

Collectors Pay $850,000 For Marcos Memorabilia

The Associated Press

NEW YORK — Collectors paid handsomely Saturday for a piece of history, sometimes bidding thousands of dollars for the chance to take away something owned by Ferdinand E. Marcos and his wife, Imelda.

"The memorabilia is just going out of sight, like linens, tablecloths, shelves, you name it," said Kenneth Linsner, an art consultant to the Commission on Good Government formed by President Corazon C. Aquino.

The two-day auction of Marcos goods brought in about $850,000, Mr. Linsner estimated.

The new government sold the items as a way of raising funds for legal efforts to reclaim some of the millions of dollars officials say Mr. Marcos stole during his 20-year tenure in office.

Among the items from the collection sold during the second day of the event were a 1780 George III side table at $42,500 and a 1770 George III gilt-wood mirror at $35,000, Mr. Linsner said. Both were expected to bring $35,000 to $40,000.

Another George III piece valued in the same range, a five-pedestal dining table, sold for $35,000, he said. A portrait of Mrs. Marcos subtitled "The Triumph of Beauty" sold for $27,000, nine times higher than expected.

A Steinway concert grand piano expected to bring $18,000 was sold for $26,000 to Joseph Leone, a plastic surgeon from Short Hills, New Jersey.

A photograph of Mrs. Marcos with Pope John Paul II, listed at $150 to $250, brought $450.

Pillows from a discoteque in the townhouse, embroidered with such sayings as "Nouveau riche is better than no riche at all," and "To be rich is no longer a sin, it's a miracle," were sold at the end of the first session for $700. They had been expected to bring $100 to $200.

Mr. Linsner said an auction record was set with a 20-volume collection of Shakespeare's works published in 1903 that sold for $5,250. The previous record was $5,000.

On Friday night, the bids were high on plastic trees, Philippine folk art and antique furnishings, with nearly all of those lots bringing better prices than expected.

Another Steinway, one of two parlor grands kept so that Van Cliburn could entertain Mrs. Marcos, was sold for $18,500. But a George III mahogany writing table, valued at $12,000, sold for only $7,000.

Sal Trupiano, a Manhattan antique dealer who did not buy anything, said, "It's obvious that everything brings very high prices because of the name Marcos."

"It's a weird sale because there is a lot of junk, plastic flowers that bring $200," he said. "Then again, there's good 18th-century furniture that's also bringing good prices."

A 4-foot-tall (1.2-meter-tall) camel made of seashells, estimated at $500 to $700, sold for $2,000. Dr. Edward Soufar of Kings Point, New York, a collector who bought the camel and several other items, including some potted plastic plants, said he "found the price was attractive."

Norman Rappaport of Manhattan paid $800 for another seashell sculpture, of an eagle. He and his wife, Perla, said they would use it to decorate a house they are building in Boca Raton, Florida.

The Associated Press

Norman Rappaport shows off his $800 seashell eagle, which he will use to decorate a house in Florida.

Russian Emigrés Protest Israel-Soviet Meeting

The Associated Press

JERUSALEM — Soviet Jewish immigrants chained themselves together across a busy intersection in central Jerusalem on Sunday and demanded that Israel cancel its first talks with the Soviet Union in 19 years.

Seven demonstrators linked themselves with padlocks and chains, halting traffic for 25 minutes at the corner of Ben Yehuda and King George streets.

They called for the return of Israel's delegation to the consular talks opening Monday in Helsinki because of Moscow's refusal to discuss its policies toward Soviet Jews.

Israeli officials have said they will raise the issue in the talks.

"We don't want to betray our friends in the Soviet Union," said Yaacov Gorodetzky, head of an émigré organization called Israel Action.

"It is better not to have any talks than to have such unprincipled talks," he said, blaming the Israeli government for "not putting Soviet Jewry properly on the agenda."

The demonstrators removed their chains and moved aside when police arrived.

About 400,000 of the 2.5 million Jews in the Soviet Union have sought affidavits from relatives abroad for family reunification, the first step toward emigration. The number of Jews allowed to leave has fallen to about 1,000 annually from a peak of 51,000 in 1979.

Prime Minister Shimon Peres said Saturday that Soviet Jewry was "at the top of Israel's considerations" in its renewed contacts with the Kremlin.

Hanan Bar-On, the Foreign Ministry deputy director, left for Helsinki on Sunday. The talks will be the first formal meeting between the two countries since Moscow severed diplomatic relations during the 1967 Middle East war.

■ **Finland Steps Up Security**

Finnish police have mounted an extensive security operation at government buildings where Soviet and Israeli negotiators will meet, Reuters reported from Helsinki on Sunday.

A Finnish Foreign Ministry spokesman said that the exact venue for the talks within the government compound was not being released in the interests of security.

Soviet diplomats in Helsinki refused to comment on the talks, while a spokesman for the Israeli delegation would only say that it was "hoping for a good result."

Soviet officials have insisted that the talks would be confined to consular matters and a dispute over the ownership of Russian Orthodox Church property in Jerusalem.

Western diplomats in Helsinki said that whatever the outcome of the talks, the fact they were being held at all was a breakthrough.

They said that both sides had much to gain from a resumption of official contacts. The Soviet Union would be able to exert more influence in any Middle East peace effort while Israel could hope for progress on emigration.

"It is almost impossible to judge the outcome of these talks," a diplomat said. "There is a limitless possibility of compromises the two sides can take when they sit down."

Israeli Aide to Visit Morocco

Reuters

TEL AVIV — Israel's transport minister, Haim Corfu, will attend a transport convention in Morocco next winter, Israeli radio reported Saturday. Last month, Prime Minister Shimon Peres held talks with King Hassan in Morocco on Middle East peace efforts.

Reuters-UPI

Senator Bob Packwood explains a point in the tax measure.

TAX: *House-Senate Panel Approves Sweeping Revisions*

(Continued from Page 1)

objected to losses or reductions of tax breaks and House negotiators said the final plan cut taxes too little for lower and middle-income taxpayers.

It was only after an intense evening meeting involving Mr. Packwood, Mr. Rostenkowski and Senator Bill Bradley, Democrat of New Jersey and an early proponent of tax revision, that the solutions were found.

Senate conferees quickly voted, 9-2, to accept the plan, and House conferees followed suit.

The principal provisions of the bill are these:

- The two rates of 28 percent and 15 percent would replace the current set of 15 rates, ranging from 11 percent to 50 percent.
- In 1987, there would be a transition set of rates of 11 percent, 15 percent, 28 percent, 35 percent and 38.5 percent. Rate cuts would begin at the same time as deductions were limited.
- High-income taxpayers would face tax rates on their last dollar earned of 33 percent and higher as a result of two provisions that limit the value of the personal exemption and the benefits of the 15 percent bracket.
- The personal exemption would rise from the current $1,080 to $1,900 in 1987, $1,950 in 1988 and $2,000 in 1989, rising with inflation after that.
- The standard deduction would be $3,000 for single taxpayers, $5,000 for married taxpayers filing jointly and $4,400 for single heads of household.
- Interest on credit-card debt, auto loans and other nonmortgage interest could not be deducted, after a phase-in period.
- Home mortgage interest would remain fully deductible, but homeowners' ability to evade the limits on other interest deductions by borrowing against their homes would be limited to home improvements, educational tuition and medical costs.
- Medical costs could be deducted only to the extent they exceeded 7.5 percent of adjusted gross income.
- Capital gains, profits on the sale of an asset, would be taxed at the same rate as wages and salaries rather than at the special low rates that now apply.
- The deduction for two-earner couples would be repealed.
- Income averaging would be repealed.
- Those who itemize could still deduct the costs of charitable contributions, but those who use the standard deduction could no longer do so.
- Low-income taxpayers and those of all incomes who are not covered by a company pension plan could still deduct $2,000 per year for contributions to an IRA. Married taxpayers earning more than $50,000 per year and single people above $35,000 with other pension coverage would lose the IRA deduction, but could earn interest tax-free on nondeductible contributions.
- Federal workers would start paying taxes on portions of their pensions immediately upon retirement, as of July 1, 1986.
- Stiff limits on tax shelters would wipe out many, especially in real estate, although an exception would let certain oil and gas shelters continue.
- A minimum tax for corporations and individuals would set a rate of 21 percent of income for those whose extensive use of deductions would otherwise reduce their tax bills too much.
- The corporate rate would be reduced from the current 46 percent to 34 percent.
- Only 80 percent of the costs of business meals and entertainment could be deducted, rather than the current 100 percent.
- Business tax breaks for investment, including a credit that subsidizes up to 10 percent of the cost of purchases of equipment, would be cut back.
- Tax advantages for numerous industries, including the areas of oil, gas, banking, timber and defense, would be limited.

The agreement culminates nearly a year of legislative struggle over tax overhaul, an idea that began gaining credence five years ago. It was then that Congress passed Mr. Reagan's 1981 tax cut, a plan that reduced rates but also created new deductions and credits.

Ex-Spy Appeals For World Ban On Atomic Tests

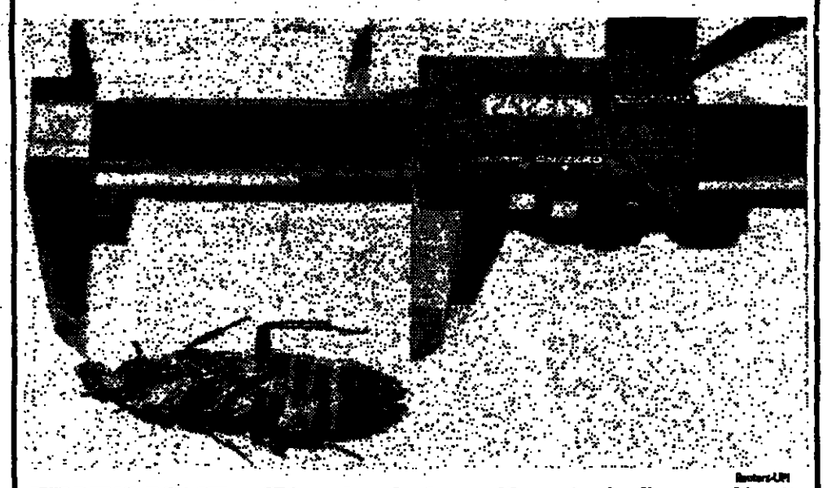
Reuters

BERLIN — Klaus Fuchs, who was convicted in Britain in 1950 of giving atomic secrets to the Soviet Union, has made a plea for a worldwide ban on nuclear tests.

"The history of humanity, I think, cannot be allowed to end in an atomic inferno," he wrote Saturday in Neues Deutschland, the Communist Party newspaper of East Germany. "I appeal to all men of good will who care about the future of our planet. Let us all stand for a ban on all nuclear weapons tests."

Mr. Fuchs, 74, has lived in East Germany since he was released from prison in an East-West swap of agents after serving 9 years of a 14-year sentence in Britain. He is a member of the Communist Party Central Committee.

AMERICAN TOPICS



Reuters-UPI

WINNING ROACH — This cockroach, shown with a pair of calipers marking its length at 2.4235 inches, was declared the champion in a contest in Orlando, Florida. The winning specimen was entered by Eloise Beach of Apopka, Florida, who received a $200 first prize. Her roach was a half-inch longer than the winner in a recent Texas contest.

Hamilton!'s Point Is Not Well Taken

Last May the city of Hamilton, Ohio, sought to change its name to Hamilton!, exclamation point included. Now it appears that while its renaming got the city a lot of attention, it failed to achieve its primary goal: putting Hamilton! on the map. The federal Board on Geographic Names said in a recent letter to the city that "punctuation marks are not part of geographic names." And Rand McNally, the map maker, followed up by announcing that since exclamation points have been ruled "nonregulation," it will call Hamilton! plain old Hamilton. Even though The Washington Post "prefers to end most of its sentences with a period," it defends the town's "First Amendment right to indiscreet use of punctuation." The Post promises, "Your exclamation point is good here, people of Hamilton!"

What Comes After The Golden Years?

"This is the best time to be a senior citizen there ever could be," says Irene Swanson, a 69-year-old widow from Beaverton, Oregon, and U.S. News & World Reports agrees. It notes that three-quarters of Americans aged 65 and over own their own homes. Their median household income has grown 60 percent since 1965 after inflation while the number under the official poverty level has fallen from 28.5 percent to 12.4 percent. And when the value of noncash benefits such as Medicare is considered, the poverty rate falls to 2.6 percent, the lowest of any age group.

But while the elderly have made great strides, poverty among their children has risen, and many young people are finding it difficult to match the living standards of their parents. This is prompting a growing number of people to question policies that devote vast resources to the elderly, regardless of need. Representative Jim Moody, Democrat of Wisconsin, says: "One's older days should not be lived out in penury but, at the same time, we should not grossly differ in how we treat other dependent groups, and we should be fair to young workers."

Short Takes

Of all the things for which Los Angeles is famous, probably the least likely to attract out-of-town visitors is smog. Yet that brown haze has drawn more than 70 scientists to Citrus College in Glendora, east of Los Angeles, for a 10-day symposium on air pollution. The purpose is to compare methods used by pollution researchers in government, industry and academia to measure the gases and solid particles that make up smog.

FBI and federal drug agents, U.S. marshals and other Justice Department employees who lose court judgments over actions taken in the line of duty now can be reimbursed by the federal government. The decision by Attorney General Edwin Meese 3d to reverse longstanding department policy came after Congress refused. Since 1971, when the Supreme Court ruled that federal employees can be held personally responsible for violating an individual's constitutional rights, more than 12,000 such claims have been filed against U.S. employees, with 32 actual judgments. Only six have been paid, the top amount $16,666 in a soil conservation case.

The U.S. Postal Service is privy to some first-class ideas, but a suggestion for a stamp commemorating an outhouse? Yes, and more: a scratch-and-sniff onion stamp, a series on ethnic footwear (to include moccasins and cowboy boots), a series on "hogs of U.S. origin" and a Lucifer issue to be canceled in Hell, Michigan. Those are just a few of the thousands of ideas the postal service's 15-member stamp panel gets — and rejects — every year. Most are on more predictable topics: 1987 issues will commemorate the Girl Scouts of America and the writer William Faulkner. But despite a flood of nominations, there will be no stamp next year honoring the Challenger crew. Long-established policy says anyone appearing on stamps, except presidents, must have been dead 10 years.

Shorter Takes

William H. Rehnquist, the nominee for chief justice of the United States, and Antonin Scalia, his likely replacement as associate justice, indicated in recent hearings that they might approve televising oral arguments before the court. ☐ Computers are coming, at last, to the nation's four military academies, where beginning this fall freshmen and women will be expected to use them to solve engineering problems, write essays, make appointments with professors and learn their class rankings. ☐ Speaking of computers, for $25 Washingtonians (and presumably East Coast shuttle hoppers) can join PowerLunch!, a data base that matches "networkers" who want to "do lunch." The club's power-hungry motto and goal: "Eat your way to success!"

— NINA MARTIN

Herald Tribune INTERNATIONAL
Published With The New York Times and The Washington Post

The Choice of America

If the U.S. Senate needed any more reason on Friday to approve sanctions against South Africa, President Reagan had provided it with his dreadful message of mumbling indifference in his news conference on Tuesday. He keeps snatching at any straw to justify the truculent Pretoria regime, while falsely insisting that only its radical opponents favor punitive sanctions.

The truth is that people from all parts of the racial and political spectrum. Republican senators in the United States as well as African presidents, have given the South African government the benefit of their last doubt. For those who believe in racial justice, there is no longer an alternative. The time has come to send Pretoria an unmistakable economic message, telling what the world thinks of its racial tyranny.

Straining to find an argument to delay sanctions, Mr. Reagan garbled names and facts and grabbed at a nonexistent invitation from Pretoria to a summit meeting on ending apartheid. True enough. President P.W. Botha did suggest an international meeting, but only to discuss regional security and economic development.

Mr. Reagan continues to extol only black leaders who agree with him. He concedes that he was "careless" in implying that Bishop Desmond Tutu, who favors sanctions, was a radical thirsting for revolution. What he has yet to concede is that sanctions are urged by an array of religious, political and trade union leaders — and not just by the outlawed African National Congress.

Without intending it, Mr. Reagan makes the case for sanctions. They are not meant merely to make Americans feel better. Given Mr. Reagan's apologias, sanctions are the only way to make Pretoria take seriously what other Americans think.

The direct effect will be limited. The judgmental effect can be powerful, especially for a regime that boasts allegiance to Western interests, if not to Western values. South Africa might not budge in the face of sanctions. What is now indisputable is that it will not budge without them.

Mr. Botha cannot ignore a rebellion in the U.S. Congress, no matter how much comfort he gets from his friend in the White House. As long as there is hope for serious negotiations with representative black leaders, Americans need to use every reasonable means to keep that hope alive. As long as black South Africans are intimidated, jailed and killed, there should be no doubt about which side most Americans are on.

— THE NEW YORK TIMES.

The Way for Pakistan

Benazir Bhutto has successfully baited the Pakistani government into jailing her for violating a brief ban on political rallies. That was a mistake on the government's part. Much better to free her and let her go back to addressing rallies.

Since Miss Bhutto's purpose is to depict the government as a brutal autocracy with no real intention of moving the country toward democracy, incarceration gives her an enormous tactical advantage. The opposition that she leads is now going to try to overthrow the government in a popular uprising like Corazon Aquino's post-election revolution in the Philippines. But a rising in Pakistan is very unlikely to follow the uplifting and peaceful pattern of the Philippines, where the army, with hardly a shot fired, swung against the government. In Pakistan the army is the government.

By last December, Pakistan had lived for eight years under the military regime imposed by Mohammed Zia ul-Haq, the general who overthrew and hanged Miss Bhutto's father. At the turn of the year President Zia lifted martial law, appointed a civilian prime minister and began the cautious widening of freedom that permitted Miss Bhutto to return from self-imposed exile and begin organizing the opposition.

The passage from military rule to democracy is always a perilous one. The question raised by the past week's events is whether Pakistan's progress toward parliamentary self-government is going to continue. That progress, you would have to say, has been at least temporarily interrupted, although there is no visible reason to believe that it has been reversed.

The United States has many interests in Pakistan, one of which certainly is political stability. The resistance to Soviet occupation of Afghanistan can continue only as long as the guerrillas have a secure base in Pakistan. But there is also a deep American interest in the evolution of a parliamentary democracy. Which of these interests comes first? The State Department indicated the proper inclination when it put out a statement on Thursday, and repeated it on Friday, regretting the deaths, the arrests and the limitations of freedom of movement. Pakistan faces obvious risks in proceeding toward democracy — but they are the right risks to take, and they are necessary.

— THE WASHINGTON POST.

Taking Mexico Seriously

For Washington, this might well turn out to be the decade of Mexico, and last week might turn out to have brought an improvement in, at least, the tone of U.S.-Mexican relations. President Ronald Reagan's meetings with President Miguel de la Madrid have brought him clearer understanding of how gravely the southern neighbor is challenged, and with what potential consequences on the U.S. side of the border.

The irritants of recent years have not disappeared. There is a shocking report of the torture of a U.S. drug enforcement agent by Mexican police. Negotiations on a vital loan package bump along perilously. Electoral fraud seems ever more brazen.

What has captured Washington's attention is a combination of issues that convey a mounting sense of crisis: debt, drugs, illegal immigration, oil prices, protectionism, striking differences over Nicaragua.

Mexico's ruling system is now experiencing its greatest strain since the revolution ended some 65 years ago. All the system's faults, like corruption and economic sclerosis, are now more evident than ever — and so is Washington's compelling interest in preventing its collapse.

By the standards of Mexican politics, President de la Madrid has shown considerable courage in pushing for adaptation to change. When the debt crisis broke four years ago he imposed a grueling and unpopular austerity. Since then he has pared down inefficient state enterprises, at the cost of jobs and patronage. He has taken Mexico into GATT, the global trade liberalization forum, against the vocal opposition of intellectuals and local producers.

President de la Madrid has paid a considerable price in domestic popularity. But he has probably preserved Mexico's economic viability. Not many weeks ago his efforts were rewarded by the signing of an innovative agreement sponsored by the IMF and U.S. bank authorities. That pact can plug Mexico's immediate financial gap, caused by the collapse of oil prices, without foreclosing the possibility of economic growth.

Many serious problems remain. The ruling Institutional Revolutionary Party courts unrest by failing to heed the concern for honest, democratic voting that is now sweeping Latin America. U.S. good will cannot survive official toleration of violence against drug enforcement officials. Practical arrangements must be achieved for enforcement collaboration, well beyond the limited accords announced last week.

The economy, more exposed to competition and buffered against oil shock, remains incapable of quickly generating jobs, wages and profits to keep Mexican labor and capital at home. Washington's lobbying, its first major effort to put Treasury Secretary James Baker's ideas into practice, helped win support for key features of the new loan arrangement. More such financial diplomacy will be needed, aimed at rewarding more reform with more investment.

The enormous stakes involved and Mr. de la Madrid's good faith justify the gains in tone, on the way to gains of substance.

— THE NEW YORK TIMES.

Other Comment

Nicaragua Poses No Threat

To the list of U.S. foreign policy disasters in Latin America — Guatemala in 1954, the Bay of Pigs in 1961, Chile in 1973 — add Nicaragua in 1986. All were U.S.-sponsored military adventures that seriously harmed U.S. interests, not to mention the countries in which they were undertaken. The same goes for Nicaragua. The difference now is that, in voting to send $100 million to the "contras," Congress has joined President Reagan in his war on the Sandinists, in his inability to tolerate diversity.

Nicaragua poses no conceivable threat; the U.S. Department of Defense nearly outnumbers the entire population of Nicaragua. Any Nicaraguan threat to the United States is a potential one that could be removed in a regional peace treaty.

For the administration, force has been not the last resort but the first. Mr. Reagan has used force in Nicaragua not as an instrument of policy but as a substitute for it. He has flouted diplomatic solutions like the Contadora process, which calls for a reduction of forces, respect for frontiers and the advancement of democracy. Mr. Reagan does not want to compromise with the Sandinists; he wants to destroy them.

Since 1981, when this sordid venture began, the contras have captured neither towns nor public support — only the hatred of their people. Indeed, the contras are not an army at all but a ragtag gang of mercenaries, many of whom seek a return to the old order. Rather than driving the Sandinists out of power, the contras have provided the principal pretext for Sandinist repression. Mr. Reagan's policies have militarized all of Central America, polarized politics and threatened what little democracy exists. Now Congress is at his side.

— The Los Angeles Times.

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OPINION

Yesterday vs. Tomorrow in the Gulf War

By William Pfaff

PARIS — It is no military secret that Iran is planning a new offensive for this autumn in its war with Iraq, a bigger offensive than ever before. It is no secret either that this offensive could succeed. That would deeply affect what the Moslem Middle East becomes in the next generation.

Iraq's President Saddam Hussein has once again vainly appealed to the Iranians to call off this war, which he himself began with a colossal miscalculation in September 1980 — thinking that he was going to crush the Shiite revolution in Tehran.

He now understands the danger he is in; but he is caught. Iran has three times Iraq's population, and the Iranians now apparently intend to return to the human wave tactics they employed with costly success early in the war.

The head of Iran's Revolutionary Guards promises simultaneous attacks all along the 1,100-kilometer (700-mile) front. He undoubtedly exaggerates, but it would take only a single consolidated breakthrough for the Iranians to threaten Baghdad and cut Iraq in two. Iran would then have its forces on the frontiers of two uneasily pro-Western states, Saudi Arabia and Kuwait.

For Iranians, the war and the revolution have merged into a single vast national movement. The revolution justifies the war and makes its sacrifices a matter of national exaltation. The Iranians' is a crusade against those, like Saddam Hussein, who in their eyes have defied the will of an exigent God.

Islamic society has seen two kinds of reform movement since the old Ottoman empire began to break up. One was secular and Westernizing. It produced the Young Turks and Attaturk in Turkey, and the Ba'ath socialist movement in Syria, Lebanon and Iraq, to which President Hussein belongs. The Ba'athist objective was to pull the Arabs into a single modern state.

The secular movement also produced Colonel Gamal Abdel Nasser and President Anwar Sadat in Egypt, and the nationalists of Algeria. In Persia, the Pahlevi shahs were secular reformers. They wanted to make the country they renamed Iran into the greatest secular power in the region.

The other reformers in Islamic society have been religious. In Saudi Arabia, in the 1920s, the Wahabis — puritan reformers — conquered the country and made Ibn Saud its ruler. His descendants govern it today as a strict Moslem society, despite the vast changes produced by oil money.

Ten years ago another puritan revolution took hold among Iran's Shiites. After overturning the shah's government, it now largely dominates Lebanon as well as Iran and is an increasingly important force in Egypt and the Maghreb.

The real meaning of the Iran-Iraq war is that these two kinds of reform and revival in the Moslem world are locked in fatal struggle. The religious movement is clearly ascendant.

The political modernizers had their day. They failed to put Islamic society on a footing to deal with the West on equal terms — which, after all, it previously had done for nearly a thousand years. The Arabs and Moors once colonized Spain and parts of France and Italy, and the Turks ruled southeastern Europe from Vienna to the Russian frontier until the mid-19th century. The political modernizers not only failed to revive the power of their society but could not even prevent Israel, a Western nation, from setting itself up in the second most important of Islam's holy places.

By GRAFF in Arbeiderbladet (Oslo). CSW Syndicate.

The religious revival has enormous appeal throughout the region, but it has, as well, an inherent limit on what it can accomplish.

The force of religious feeling is evident at every level of society. It is a special kind of power, in that while Western religion says that God observes mankind's political struggles but does not intervene, Islam holds that God directs the world's affairs. If He has let the cause of Islam be defeated, it is because people are not good enough Moslems.

Islam is also a religion of community rather than of individuals. Men and women's purpose in life is to serve their religion. To do so at the cost of their lives is to trade a brief and trivial existence on Earth for eternal reward.

The immediate limit on the power of the integrist revolution derives from that same technological and industrial backwardness which caused the secular reform movement to falter. It is the weakness which allows industrially advanced Israel to dominate the Middle East. This could eventually change, but for now it shows little sign of doing so.

The ultimate limit is one which history puts on radical movements. They wear themselves out. People can bear only so much intensity and sacrifice. The importance of the Islamic religious revival should nonetheless not be underestimated. It is a force which already has changed contemporary history, and it is far from exhaustion.

It is something the Western powers can do very little about. We have to live with it and its consequences — war, terrorism, and all — just as in the past people have had to live with the consequences, good and bad, of the French and Russian revolutions, or with the effects of the wars of religion touched off by the Protestant Reformation. Evidence that this is not simple is easy to cite. Luther, for example, challenged the Church of Rome nearly 500 years ago, in 1517. In Ulster today, Catholics and Protestants are still fighting.

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Sanctions Are Correct U.S. Policy

By Tom Wicker

NEW YORK — The United States Senate has cast a vote for the future in its approval of limited sanctions against the Afrikaner government in South Africa — but not because that ruthless and determined government is likely to do anything useful in response.

A great deal of misinformation and posturing — not least by President Reagan — surrounds this difficult issue. The particular sanctions in the Senate bill probably will not, for example, hurt South African blacks, as Mr. Reagan contends; and even if they did, many blacks and black organizations there still would welcome them — just as two decades ago American blacks were willing to risk the loss of jobs and personal security in their fight for constitutional rights.

Nor is the African National Congress the only black South African organization that favors sanctions, as Mr. Reagan in his ignorance so often claims. And the ANC is not a Communist or Communist-front organization, although the president frequently libels it with the charge.

President Reagan's comments about the ANC have been so egregiously misleading as to seem almost deliberately so, and have evoked a well deserved rebuke from Malcolm Fraser, the former prime minister of Australia who now heads the Commonwealth Eminent Persons Group on Southern Africa.

In a letter to the editor of The Washington Post, Mr. Fraser denounced the president's charges against the ANC, including the suggestion that it bears equal responsibility with the government for violence in South Africa. In fact, Mr. Fraser wrote, the ANC leadership is "largely moderate, nationalist and pragmatic," and the organization only recently had been forced "to respond to the violence of apartheid with violence of its own."

Mr. Fraser concluded that it was "tragic that the two most powerful and effective leaders in the Western world, President Reagan and Prime Minister Thatcher, stand very much alone" in their unwillingness to take an unmistakable stand in support of the black majority in South Africa.

Even congressionally approved sanctions may not be able to undo the damage that Mr. Reagan keeps doing. He cannot seem to grasp the fact that black political power in South Africa is as inevitable as numbers can make it — a black majority of about 22 million people against a white minority of 5 million, and that divided among Afrikaners and English.

One way or another, peacefully or by violence, sooner or later, under whatever checks and balances, the black majority will rule in South Africa. That being the case, for reasons of future strategic and political interest, as well as Western democratic values, it is profoundly necessary for that majority to perceive the West as devoted to its cause and willing to take strong steps in its support.

That is why the sanctions bill is necessary. If the past is a guide, the sanctions will probably be no more effective than those that the West once imposed on the old white regime in Rhodesia, now Zimbabwe. They will have little impact on the policies of a determined, self-righteous and well armed Afrikaner government.

Sanctions may damage the surrounding black nations, which depend on South Africa for transport and other services, but those states are willing to risk it. What consequences sanctions may have within South Africa remains to be seen. It is possible, for example, that this show of Western support may intensify black insistence on an end to apartheid, which would heighten the violence of the Afrikaner response.

But congressionally approved sanctions will demonstrate that on the South African issue Mr. Reagan does not speak for the people of the United States, the great majority of whom, in simple concern for justice, do support the black majority and wish to see a great wrong righted. Without such a show of support, limited as it must be and without much prospect of effecting real change, South African blacks would have little choice but to conclude — as Mr. Fraser put it — "that they are on their own as far as the West is concerned."

That would lead more surely than anything else to the long and bloody guerrilla war that everyone — except perhaps the most ruthless elements of the Afrikaner community — seeks to avoid. And that in turn would be likely to produce the anti-Western, even pro-Soviet black government that President Reagan so greatly fears but in his ignorance and myopia in fact encourages.

The New York Times.

Nine Proposals for Coping With Third World Debt

By Melvin M. Fagen

GENEVA — The foreign debts of Third World countries are expected to exceed $1 trillion in 1986, and this indebtedness is likely to increase in the coming years. At present these countries must pay more than $100 billion in interest annually, even though foreign investment in their territories has dropped to insignificant amounts.

Most of the debtor countries have to devote more than 40 percent of their export earnings solely to meet interest payments on their foreign borrowings. Meanwhile, in many of the creditor countries the main banks are dangerously dependent on repayments by the poor countries, unemployment is high and international trade balances become even more unfavorable, largely because the debtor countries are driven to export more and import less to meet their external obligations.

What can be done to avoid a contagious movement toward repudiation, moratoriums or unilateral limits on sums paid to creditor countries? Such measures are likely to be seen by the debtor countries as preferable to further decreases in the living standards of their already poor peoples in order to satisfy foreign creditors. What can be done to avoid a resultant financial collapse in the creditor countries and to promote economic growth not only in the debtor countries but also in the creditor countries?

The following steps should be taken immediately:

1. Agreements should be concluded whereby no over-indebted poor country should be obliged to devote more than 20 percent of its export receipts annually to the payment of interest and amortization on its foreign debts. Amounts owed in excess of this limit should be added to the total debt and made payable at the end of the amortization period. Payments to private banks should be given priority over payments on debts to governments.

2. Interest rates should be adjusted every six months so as not to exceed the current rates on floating-rate notes internationally traded.

3. Payments on existing governmental loans should be suspended until the over-indebted country can pay foreign private bank creditors amounts owed on existing loans.

4. New private bank loans to the over-indebted countries should aim to reach $20 billion a year over the next three years, or three times the figure suggested by U.S. Treasury Secretary James Baker last October. These loans should be guaranteed, as to payment of interest and amortization, by the governments of the lending countries, which should also approve the terms of the loans.

5. The World Bank and its associated agencies should double their annual lending to the most heavily indebted countries, instead of the 50-percent increase suggested by Mr. Baker. That is, they should lend $12 billion per year.

6. Intergovernmental loans for nonmilitary purposes to the over-indebted countries should be encouraged by permitting tying arrangements, with proceeds spent on goods imported from lending countries, whose growth would benefit. The loans should provide for grace periods of at least five years.

7. Private banks should extend existing loans to at least 20 years, instead of the current 7- or 8-year average, making possible lower annual amortization payments.

8. Governments of creditor and debtor countries should make joint efforts to prevent unauthorized export of capital from over-indebted countries, an outflow estimated to total $100 billion each year.

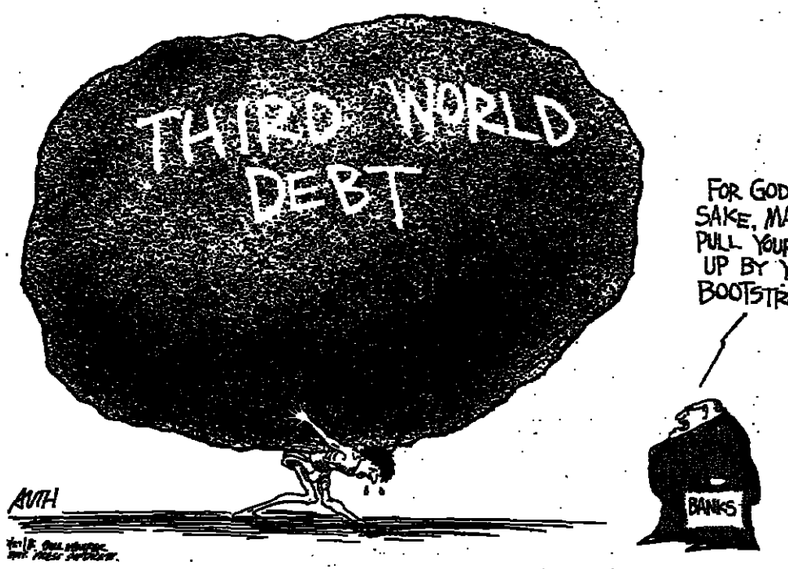
9. The IMF should change its policies so as not to impose on the over-indebted countries conditions for loans that create social upheavals and eventually lead to the overthrow of democratic governments. □

Measures of this kind would help prevent financial collapse in the creditor countries and strengthen democratic institutions in the debtor countries. They would constitute a kind of worldwide Marshall Plan, as has been proposed by Greek economist Angelos Angelopoulos.

The Marshall Plan showed that the satisfaction of additional demand in poor countries could not only benefit the people in those countries but also make it possible for the creditor country to stimulate its economic growth, reduce unemployment and help overcome foreign trade deficits. Each 10-percent increase in developing countries' imports has been estimated to bring about a 1-percent rise in the GNP of the industrialized countries. This in turn further stimulates an additional growth of 3 percent in the exports of the developing countries.

Should we not be aiming at this sort of chain reaction, rather than suffer a chain reaction of debt nonpayment, financial collapse, loss of export markets, reduced employment, lower living standards and — as a probable consequence — the generalized disintegration of democratic institutions?

The writer, a former director of the United Nations Economic Commission for Europe, contributed this comment to the International Herald Tribune.



They Expected America to Knock Down the Wall

By Paul Craig Roberts

WASHINGTON — This month a quarter of a century ago, I was part of a small group of Americans who had spent the summer in the Soviet Union participating in a student exchange program. We were crossing Eastern Europe en route to Berlin. We had an indication that something was afoot from a Voice of America broadcast we had picked up in the Soviet Union, but it was only when we reached Warsaw that we learned that the Soviets were violating agreements and building a wall.

Everyone we talked to in Warsaw, including Polish military officers, expected that the Americans would not permit the wall and that the Soviets would get their long-deserved comeuppance. Poles debated whether Poland would finally be free of the Soviet occupation. One officer said the Polish air force had been issued live ammunition and enough fuel for planes to leave Polish airspace. Everyone wondered what it meant.

No Pole expected to fight on the Soviet side. Repeatedly we were urged to carry home the message not to bomb Warsaw, because the Poles would be fighting the Russians as soon as they saw the Americans coming. We got quite a send-off when we boarded our train for the trip through East Germany to Berlin.

In the early hours of the morning our cars were sidetracked while Soviet troop trains sped past. The Soviets obviously thought they might have trouble making the wall stick. When we arrived at Frankfurt an der Oder, just inside the East German border, we were ordered off the train. A complaint was made about our visas, but we had seen too many troop movements and counted too many tanks. The Soviets claimed no responsibility, as we were in East Germany, and the East Germans were not admitting us. We were in limbo, potential hostages in a diplomatic game.

Once they got us off the train, the authorities did not know what to do with us. While they deliberated or awaited instructions, we were left on the railway platform under the guard of East German railway police. By then our guards had seen enough troop trains to know that something was happening, and they quickly let us know that they were on our side.

As the word spread that a group of Americans was at the railway station, a crowd gathered from the town. No one had seen an American since before World War II, and animated discussions began. It was clear that most hoped for a war that would force the Soviets back into their own borders where they belonged. No one thought that the Americans could possibly lose such a war, and some wondered why we had waited so long.

The railway guards were too busy participating in the discussion to control the situation. Our popularity was embarrassing for the authorities, and we were removed to the jail.

There the discussion continued, and we were soon trading our remaining ballpoint pens for East German police badges. No one thought to lock us up, and a friend and I wandered out into the courtyard and came upon a rack of police bikes. We borrowed two and took off into town.

After all the hours of standing, talking and peddling, we were thirsty and entered a *Gasthaus*. My friend ordered in Russian and drew puzzled looks. I explained in German that we were Americans and wanted a glass of beer. People left their seats and gathered around, and we were toasted with beer and cake. Time wore on, and through the haze of many steins it dawned on me that our group might be allowed to continue the journey, leaving the two of us in East Germany without passports.

I urged that we return to the jail, but my friend was for staying with the Germans as long as the beer and cake held out. Eventually we left to find the jail now under Soviet military guard. It was somewhat intimidating, especially the automatic weapons, but the heroic receptions we had received had produced a frame of mind that prevented a return to the friendly *Gasthaus*. We boldly rode in, and my friend told the Soviet guard haughtily, in Russian, that "we are under arrest here."

The guard was too confused to argue and called the authorities. Our appearance disturbed the equilibrium that had been established. The authorities were humiliated that two had "escaped" on police bikes. When we rejoined our colleagues, they were in a long narrow room with a picture of Lenin. A lecture was in process about U.S. imperialism. It was a face-saving gesture on the part of the authorities. At midnight we were put on a train and sent back to Warsaw.

Everyone welcomed us back, and parties resumed. There was talk of airlifting us out, but the State Department's notions of normalcy required that we be permitted to travel through East Germany. The second time we made it. When we came upon the wall, the initial barbed wire was being replaced with cement block.

We were too young to know much about the Soviet government, but we had experienced a lack of support for the Soviet Union in Eastern Europe that told us that the wall could not stand if Americans wanted it down.

A year later, Peter Fechter, a 19-year-old East German, was shot trying to escape over the wall. Life magazine carried color photos of the youth slowly bleeding to death atop the hideous wall. The United States and its allies did not lift a finger.

The writer is a professor of political economy at the Georgetown University Center for Strategic and International Studies. He contributed this comment to The Washington Post.

IN OUR PAGES, 75 AND 50 YEARS AGO

1911: Uniform Divorce?

PARIS — In commenting upon the Astor incident, several American newspapers, and the writers of many letters that have appeared in the Herald, have drawn the conclusion that a divorce law, uniform in all the states, is greatly needed. This view is not shared by Mr. H. Cleveland Coxe, one of the most eminent of the American lawyers in Paris. "The question of divorce in America," he said, " is just about on a parallel with the question of divorce in Europe. Now, could anything be more unreasonable than to endeavor to plan out some system of divorce for all of Europe? Do you think this would be possible with such extremes in tradition, climate, religious ideas and political convictions? No, I don't think a uniform divorce law is possible for America, no more than it has been found practicable in Europe."

1936: Drought Victims

WASHINGTON — Drought-harrassed farmers of the Great Plains, faced not only by the fact of ruined crops but also by the prospect of forced migration from their barren homesteads, pleaded [on Aug. 17] with the President's Area Drought Committee of Six to be allowed to stay where they are. "Panhandle residents want to stay where they are," said John A. Hill, representing a committee from thirty-two Texas counties. "Even if they are broke, they must start over again. They want a program of financial aid." Rexford G. Tugwell, resettlement administrator, receiving their pleas in Amarillo, Texas, promised help. "This talk about depopulation is foolish," he said. "We do not want to depopulate the country; we want to fortify it." Regardless of changes in the weather, the situation is desperate.

OPINION

Even Umpires Have to Break the Rules

By George F. Will

WASHINGTON — If you try, you still have time to ruin your summer, with the help of guilt and Tolstoy.

Your average walking-around American thinks he has pretty much atoned for slavery, the Battle of Wounded Knee and Vietnam. The final form of guilt to which Americans are prey flows from this fact: Years ago a professor assigned "War and Peace" and everyone cheated. They read an abridgment. So each summer they take the book to the beach, and then doze off, yet again.

That book is too long. Or August is too short. So shove Tolstoy back on the shelf, up there next to Proust, and pack two new novels, "The Great Pretender" by James Atlas and "The Conduct of the Game" by John Hough Jr. Both are about young men coming of age through different thickets of difficulty.

Mr. Atlas's protagonist, Ben, is a Chicagoan, Jewish and of two minds. He wants to match his intellectual father, who knows by heart "The Love Song of J. Alfred Prufrock." The father is a doctor who resents patients because they distract him from making oboe reeds.

"These liberal households were tough on kids," Ben says. It is hard to rebel against an environment in which the chains of tyranny involve things like a ban on watching "Amos 'n Andy." Arrested for drunk driving, Ben is tossed in a cell with a black teen-ager who says, "My papa's gonna whup my ass." Ben thinks: "Yeah? Mine's going to suggest that my arrest was Kafkaesque." "Kafkaesque" was his father's favorite adjective, until he saw it in Time magazine.

Ben is a pretender as a poet. He aspires to be among the fortunate few who live and feel on a more exalted plane than ordinary people. Alas, he has an ordinary young man's interests, such as rock 'n' roll and sex. His antic passage through adolescent intellectuality to — you guessed it — a job with Time, Inc., provides ample laughter.

"The Conduct of the Game" is a bittersweet story of a different kind of passage by a different kind of young man. Lee Malcolm has grown to the verge of manhood on Cape Cod. He has no pretensions, has not shown much promise and has not derived from his blue-collar background any idea that the world makes promises it intends to keep. But one day he acquires a vocation.

He is pressed into service as an umpire in a baseball game. In the first inning he quells a dispute. Suddenly he has not just power but authority. It is a game: "Mine to ruin or to make right — the difference between noise and music, between a free-for-all and the pretty game of baseball. I never understood, till that moment, what good umpiring means to the game. Baseball can be thrilling and it can be beautiful — but only if the umpiring is good."

Fifty years ago, during the Depression, literary radicalism celebrated the "proletarian novel." Here we have one. Lee heads for umpiring school as his high school girl friend — at first disbelieving, then disgusted with him — heads for Bryn Mawr. This is blue-collar fiction: Umpires toil so the stars can shine. Among this fine novel's layers is one celebrating such humble toil.

Author Hough is too gifted to preach, which is why his novel teaches. It teaches arcana of the umpire's craft. (Be stationary and 90 degrees from the throw. Signal an out with the motion of driving a dagger down through a door.) It also teaches, in an agreeably offhanded way, a difference between games and life.

An athlete's career compresses some of life's phases — youth, apogee, decline. Lee quickly passes through aspiration, striving, fulfillment, crisis and disappointment. His crisis concerns an honorable but ironic choice. Lee the umpire — custodian of rules, embodiment of authority — sacrifices his career rather than truckle to baseball authorities determined to purge another umpire whose homosexuality (this novel is set 25 years ago) has become known.

The novel's title comes from the baseball rules: "The umpire shall be responsible for the conduct of the game in accordance with these rules ... " Lee learns that honorable conduct can require resistance to some prevailing rules.

This novel about a lost vocation ends on a melancholy note, but so does August. You glance up from your book and across the beach and recall that lurking just over the horizon is Labor Day, gateway to the calendar's downward slope.

Washington Post Writers Group.

'Patience! Wait till it has a Communist government. THEN we'll act.'

Ice Ages Past and to Come, As Beheld in My Tea Glass

By Richard L. Faust

NEW YORK — On a sweltering day last week, I sought comfort at a neighborhood eatery, where I ordered a large iced tea. What I got was slush, for the tea had been poured over shaved ice. Worse, the tiny fragments melted so fast that all of the fun was taken away.

Missing were those reassuring icy clinks and musical tinklings that add pleasure to cold drinks; gone were those playful, intimate, bobbing touches on *the lips that one anticipates from ice*

MEANWHILE

floating in a glass; and absent at the end were those diminished crystalline pebbles that wait in clusters at the bottom to be crunched as a fulfilling coda to the whole experience. Without proper ice, the tea had lost its ceremony.

Ice is more than just a big chill: It can influence our lives in subtle ways. My earliest involvements with summer ice go back to a small town in Illinois in the 1930s, when we lived half a block from the ice plant, the sole supplier of ice for the town. People had ice boxes, really just wooden storage chests lined with sheets of tin; the blocks of ice were hauled in from outside. Every home, of necessity, had an ice pick, its handle often printed with the name of a hardware store, and every housewife became adept at chipping ice. The jagged chunks that my mother cut always fit perfectly into our narrow lemonade pitcher.

For us kids, the ice plant was an arctic outpost in the middle of our torrid Midwest summers. It was an exciting place, with its noisy waterfall inside a wooden cooling tower and its heavy metal doors through which brawny men carrying gigantic tongs disappeared in clouds of *condensation. We went home to dream* of Admiral Byrd and the North Pole.

Unlike the Midwest, the Northeast traditionally got most of its ice from frozen lakes and ponds. Large blocks were cut in winter and stored underground in sawdust until summer. Rockland Lake, north and west of New York City, was a favorite source of ice 100 years ago because its water seemed to have the best taste. In summer, great chunks of Rockland ice were hauled out of storage, dragged to the riverbank and pushed down slides into the Hudson, where they were fished out, put on boats and taken rapidly downstream.

In winter, ice also played an important part in New York life. From 1858, *when some water was first let into the* newly constructed lake in Central Park, ice skating became the rage. A few years later a contemporary account reported that 80,000 people visited Central Park in one day and that 40,000 of them were skating together on the 20 acres of lake ice. To announce when the lake was ready for skaters, all the horse-cars going *uptown to the park displayed special* flags, and a red ball was hoisted on a pole at the present site of Belvedere Castle. Skating became so popular that calcium reflectors were set up for night skating, and a part of the lake at the north end was reserved for ladies.

We no longer depend on ice plants or lakes; the 20th century is, above all, a time of mechanical refrigeration. We live now in an Ice Age, not geological but technological, when frozen things are common. Freezers of one kind or another hold everything from spinach to sperm, including a few whole human beings who are trying to outwit time. Science has conquered summer, and soon we may transfer our controlled environments to colonies in space.

Yet winter will win. Comets have been revealed to us as dirty snowballs, and physicists warn that our sun is dying. They assert that the entire universe is rushing entropically toward a cold and motionless destiny, a frozen stasis.

But in August I take comfort in cool drinks and the sound of cicadas singing of warm renewal. As I lift my iced tea, I see chunks of my past and hints of our future floating serenely together.

The writer, a lecturer in the American language program at Columbia University, contributed this to The New York Times.

LETTERS TO THE EDITOR

Don't Worry, Reader, Devastation Would Be Thorough

Regarding the report "U.S. Goal: To Fight After Nuclear Attack" (July 29):

Can a normal, ordinary citizen read this report and just go back to work?

The Ground Wave Emergency Network, or GWEN, is part of a $40-billion plan drawn up by the administration and approved by Congress for a military infrastructure that can survive a protracted nuclear war. The article gives examples of military activity after a "multiple exchange campaign." For example, a satellite would still be capable of long-term operation and could report which targets had been destroyed and which needed to be hit again; the army would have a new generation of airplane command posts that could land on highways after airstrips were gone, refuel from hidden caches and take off.

Caspar Weinberger is reportedly considering a fleet of "covertly deployed" trucks from which generals could run the war after airborne command posts had been destroyed or were unable to land in the nuclear wasteland.

Conclusion: Do not worry, reader. When, except for a handful, you will all have been burned to death, the eventual survivors, *thanks to this program, will* still be able to launch nuclear fire on the few sites that may have been partly omitted by the original strikes, thus ensuring complete death on both sides.

We readers now know that thousands of good people are working across the United States — and probably as many in the Soviet Union — to have these programs come true. Who is sane? Those who launch these programs or Prime Minister David Lange of New Zealand, criticized for having had the courage to see the consequences and ban nuclear weapons from his country?

SERGE C. WARNIER.
Paris.

Greek Statues Had Lipstick

Regarding the report "Computer-Colored Films Raise Profits, Hackles" (Aug. 6):

Leslie Bennetts tells us that many movie purists, such as Woody Allen and John Huston, equate the "colorization" of old black-and-white films with "putting lipstick on a Greek statue."

Not only would an ancient Greek sculptor paint the lips of his latest statue, he painted the *entire* statue, head to soles, *apparently with just the right hue* for skin color. For public appearances these nude statues were adorned with fashionable clothing.

Similarly, medieval cathedrals were not the stark, naked stone we see today; medieval artists painted the interiors, top to bottom, in a garish array of bright colors and patterns. Ancient Greeks, medieval artists and the old black and white movie makers were not less gaudy than the artists of our era.

The classic film-makers of yesteryear would certainly have preferred to produce color images, but were held back by their technology. And the rapidly improving techniques of modern colorization will soon produce films that are just plain better! Sorry Woody, I love you, but you really goofed on this one.

JED CURTIS.
Geneva.

Rex Thompson, in "High-Technicolor Films" *(Letters, Aug. 9)*, is wrong. "Schlock films" by hack scenarists and turned out by the studios on a production line basis are not the black and white films that will be colorized. The process is too expensive. Only the real masterpieces are endangered.

To compare colorizing with translating ancient Greek texts into English is wrong, too. Films are dubbed and subtitled for translation already. Adding color is not the same thing.

Last but not least, I am sure that in most European countries the directors of the great black and white films will find the law and the courts on their side when they oppose colorizing. If colorized films cannot be presented on the European continent, this will limit the market and the profits.

WIM VERSTAPPEN.
Amsterdam.

Segregation in China

Regarding the opinion column "'New China' Retains Old Ways" (July 31):

I read with interest Paul Kreisberg's reminder that, despite the generally favorable impression the outside world has of China, the country remains highly authoritarian and deeply xenophobic. The Chinese authorities, wherever feasible, implement a system of racial segregation that at times is as offensive and dehumanizing as in South Africa.

During my studies and travels in China I encountered many instances in which Chinese friends were refused entry into restaurants and places of entertainment frequented by Westerners. In one restaurant my Chinese teacher was made to sit alone at a separate table. Last summer my plans for an evening's dancing were canceled when we noticed a large sign on the door of the dance hall which read "Chinese only."

Such incidents occur on a daily basis and should serve to remind us that China's so-called "open door" is nothing more than an attempt to attract foreign capital and foreign technology.

STEVE BAUGHMAN.
Taipei.

The Lazy Solution

In response to "Various Water Jugs and the Worth of Maidens" (Meanwhile, Aug. 5):

I don't know about "recreational mathematics," but if the challenge is to get four gallons of water from a five-gallon and a three-gallon jug, why not just fill each halfway? Call it lazy math.

Meanwhile — as they say — it was a surprise and a pleasure to see Shanti Conly's letter from Cairo on that same page. The Conlys were good friends at our last posting in Bangladesh.

MICHAEL P. HYLAND.
Ruwi, Muscat.

Against Bilingual Teaching

Regarding the opinion column "Immigrants Must Become Americans" (July 2) by Governor Richard Lamm:

I wish to thank Mr. Lamm. Bilingual teaching in American schools has handicapped immigrants, making it harder for them to adapt to U.S. life.

Other nations accepting immigrants — France, England, West Germany — have not made the mistake of establishing schools where immigrants are taught *in their native language. They must* learn the language of their new country quickly in order to get along.

Children do learn languages quickly. I sent my three young children to French schools as soon as we came to live in France for the short period of three years. They could soon chatter with their French playmates. How ostracized they *would have felt otherwise!*

The United States should make a great effort to help the parents of immigrant children adapt to life in America by establishing adult education classes in English, as well as classes designed to help parents deal with the complexities of life in their new homeland.

EVELYN E. LAWSON.
Villefranche-de-Conflent, France.

Missing, Perhaps Missed

Whatever has become of that inveterate letter writer of old, Al Hix? I doubt that I have missed more than three of your issues since returning to Europe last November — and nary a Hix.

How can this be?

M.L. TRAVERS.
Rogaska Slatina, Yugoslavia.

Chirac Scorecard: Laws Fall Short of Promise

Dismantling of State Control Goes Slowly

By Michael Dobbs
Washington Post Service

PARIS — "France Desocialized," the rightist newspaper *Le Figaro* exulted in a headline last week as the National Assembly ended its first session since a conservative election victory last March.

The headline evidently was designed as a political victory cry to mark France's conversion to neoconservatism after five years of Socialist rule.

An accompanying editorial asserted that the country's new center-right government had succeeded in "honoring its promises to the French people" in five months of intensive parliamentary activity.

As the deputies deserted Paris for a delayed summer vacation, they were credited by French political commentators with accomplishing much legislative work. But there is considerable skepticism over whether France is changing much as a result.

On paper, the new government's record is impressive. While it has a solid majority in the Senate, the upper house, it has only a four-seat majority in the National Assembly, the lower house.

Yet the government has pushed *through 26 laws since the March 16* election, and it has put on the statute books a reform of television, tougher security laws and legislation that allows it to sell 65 state-owned enterprises.

The minister in charge of parliamentary relations, André Rossinot, summed up the right's achievements by saying that the government had demonstrated its ability to conduct the nation's affairs "despite the almost systematic obstruction of the opposition."

But the new laws fall short of the right's promise during the election campaign of a "liberal revolution," the term "liberal" in France being roughly equivalent to "neoconservative" in the United States.

Nor has there been a significant improvement in the economy, contrary to campaign predictions by Jacques Chirac, the new prime minister, that the election of a rightist government would in itself create a favorable climate for investment.

Not one state-owned company has been sold, *and the signs are that* the government will put up for auction by the end of the year only two or three of the 65 banks and large industrial groups whose sale has been approved in principle.

Recent public opinion polls have shown that many voters are disillusioned. The SOFRES polling organization reported that only 26 percent of those questioned had a positive opinion of the government's first 100 days in office, while 48 percent felt the experience had been negative.

At the same time, the polls suggest little enthusiasm for many of the "liberal" reforms proposed by the right.

A majority of the voters are reported to be opposed to such measures as the suppression of price controls, denationalization of industry and the abolition of a wealth tax.

"Liberalism is popular among the French as an attitude rather than as a doctrine," noted Jérôme Jaffré, chief political analyst for SOFRES, in an article for the weekly magazine L'Express.

He said that the French favored the idea of greater freedom for the individual but opposed the dismantling of public services.

The most controversial of the government's reforms has been the plan to turn a state-run television channel, TF1, into a commercial network.

The project represents a retreat from an electoral promise to sell two of the three state-owned channels. But it has stirred up a public outcry, with the Socialists attacking the government for "destroying French culture."

Under a law passed by the National Assembly last week after four months of debate, TF1 will be put up for public auction by the end of this year. A leading candidate to buy the network is Robert Hersant, a rightist publisher whose media holdings includes Le Figaro.

Opinion polls show that the proportion of French voters in favor of selling television stations has dropped from 39 percent before the election to 20 percent. Six out of 10 citizens are reported to be opposed to the sale of TF1.

The fading appeal of "liberalism" has been compared by some French commentators to the disillusionment with "socialism" following the Socialist Party's election victory in May 1981.

Now that they are in power, many rightist leaders have toned down the rhetoric they used during the campaign.

Some measures adopted by the rightist government would strike most American observers as illiberal. They include the strengthening of protectionist safeguards for French agriculture and a 15 percent ceiling on foreign ownership of the companies scheduled for denationalization.

Mr. Chirac has found himself trying to balance the determination of some of his supporters to dismantle state controls with ingrained political traditions that have left France the most centralized state in Western Europe.

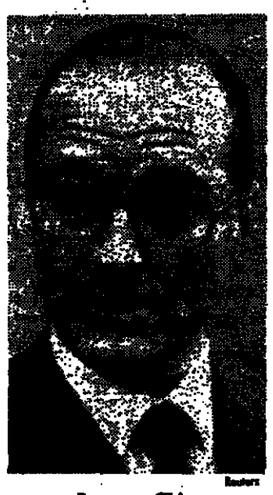
He has also had to negotiate with a Socialist president, François Mitterrand, whose seven-year term does not expire until 1988.

Mr. Mitterrand has used his presidential powers to delay government legislation, scoring points in public opinion polls by presenting himself as a political counterweight to rightist ideologists.

A constitutional showdown between the president and the prime minister was averted last month when Mr. Mitterrand refused to sign a government decree authorizing the denationalizations.

Mr. Chirac abandoned the decree mechanism and transformed *the legislation into a bill that was* then voted into law by the National Assembly and the Senate.

NEWS ANALYSIS



Jacques Chirac

Siberia Rivers Project, Moscow Spire Canceled in Face of Public Objections

By Celestine Bohlen
Washington Post Service

MOSCOW. — The Soviet Union's ruling Politburo has canceled two construction projects in decisions that took into account increasingly vocal objections from the nation's cultural elite.

A longstanding plan to divert the waters of Siberia's north-flowing rivers and a project to build a 236-foot (72-meter) spire as part of a *World War II monument in Mos*cow were canceled by the Politburo at its regular meeting Friday, national television announced.

Both projects had become the targets of outspoken campaigns by writers, artists and scientists, and were attacked at the June congress of the Soviet Writers' Union.

Both had also come to symbolize a Soviet tendency to build grandiose projects, often without regard for the environment, aesthetics or public opinion.

In its announcements on both projects, the Politburo cited the role of "broad discussions" and "broad public circles." The decisions seemed to signal new respect for unofficial views and a recognition of the need for open discussion.

*The design for a Moscow memo*rial to the victory over Nazi Germany in 1945 will be submitted to a new competition, the Politburo said, after "taking into consideration results of broad discussions which took place and all remarks and suggestions by the community."

In the case of the river projects, the Politburo called for "additional study of the ecological and economic aspects of this problem, a need expressed by broad public circles." For this reason, the official press agency Tass said, the Politburo "deemed it expedient" to halt that plan.

*The debate over the river pro*jects had gone on for several years in the press, in government circles and within the scientific community. The Siberian plan called for a system of canals that would have diverted water from the north-flowing Ob and Irtysh rivers south to irrigate arid land in central Asia.

Nikolai Vasiliyev, the minister of land reclamation and water sources, estimated in June 1985 that the project would cost more than 10 billion rubles (about $12 billion.)

Opponents had argued that the project was extravagant financially and harmful ecologically. In the West, some scientists had argued that it could damage the world's weather system by disturbing the flow of ice in the Arctic Ocean. This had been denied by the Soviet planners.

The pressure for the Siberian project had come largely from central Asia, where party and government leaders had come to regard irrigation as the key to increasing agricultural production.

New doubts were raised about the project in February during the 27th Soviet Communist Party Congress. It had been suggested then that the plans were being critically reassessed.

The Politburo statement on Friday did not clarify the future of a separate project to take water from northern lakes and divert it to the Volga River and the Caspian Sea.

Critics of that project have said it would lead to the flooding of northern churches and monuments.

The debate over Moscow's war monument is more recent. It was initiated at the writers' congress by a poet, Andrei A. Voznesensky.

The main part of the war-monument complex is already under construction, but the debate had focused on the spire, which would have dominated the skyline on Moscow's western edge.

U.S. Officials Report Soviet Is Building Warning Radars

New York Times Service

WASHINGTON — The Soviet Union has begun construction of two large new early-warning radars, Reagan administration officials say.

Officials said the two radars would supplement or replace older systems in the area. Officials did not say when the radars had been discovered by American intelligence but said that their construction had been anticipated.

"The Soviets have been building a complete circle around their country," an administration official said Friday. "We have been fully expecting them to replace the old ones as fast as their budget allows."

Administration officials said the construction of the radars, in the western part of the Soviet Union, was consistent with the 1972 Anti-Ballistic Missile Treaty, which stipulates that such systems must be on *the periphery of a nation's territory* and oriented outward.

Another radar installation, in central Siberia, has been characterized by the administration as a violation of the ABM treaty.

Unlike the two new radars, it is not on the periphery of Soviet territory or oriented outward. The Soviet Union has said that it is for space tracking, which is allowed under the treaty.

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dm 100	Austrian Control Bank	6	'96 Sep	s	100	100¼	5.96
y 25000	Sweden	5½	'91 Aug	s	101	99⅝	5.56
y 10000	Bayerische Vereinsbk	5⅝	'91 Aug	s	101½	100	5.87
y 50000	World Bank	5⅝	'96 Aug	s	100½	100¼	5.72
$ 500	Norway	7⅛	'91 Aug	s	101½	99¼	7.43
$ 100	Creditanstalt-Bankver	8	'93 Aug	s	101	99⅛	8.14
$ 100	Mercedes-Benz Credit	7½	'93 Aug	s	100	99⅜	7.74
$ 100	Credit Equipm Petit M	7⅜	'97 Aug	s	101½	99	7.42
dm 300	Electricite France	6⅛	'96 Aug	s	99¾	99⅛	6.19
$ 150	Volkswagen Intl W/w	3	'01 Aug	s	100	102	2.83
$ 100	Long-Term Credit Bank	8	'97 Aug	s	101½	100¼	7.81
$ 100	Nippon Credit Bank	8	'93 Aug	s	101	99½	8.09
$ 150	Industrial Bank Japan	8	'93 Jul	s	101¼	100¼	7.90
dm 300	Inter American Dev Bk	6¼	'96 Aug	s	99¾	99¼	6.34
dm 200	Hoesch Intl Finan X/w	2½	'96 Aug	s	100	69¼	6.86
dm 200	Hoesch Intl Finan W/w	2½	'96 Aug	s		104¾	1.97
ecu 100	Pargesa Bank Corp W/w	4	'96 Jul	s	100	103¼	3.41
y 40000	Barclays Overs Invest	6	'96 Aug	s	101⅞	100⅛	6.03
$ 100	Eurofima	7⅝	'91 Jul	s	101⅛	100⅛	7.59
y 80000	Canada	5⅝	'93 Jul	s	100⅜	100⅛	5.56
ecu 75	Eec Europ Econom Com	7⅜	'94 Jul	s	100	100⅛	7.24
$ 110	Deutsche Bank Finance	8	'98 Jul	s	100¼	97¼	8.30
ecu 100	Nissan Motor Co	7½	'93 Jul	s	100	97½	7.87
dm 300	Mitsubishi Chemic W/w	1¾	'93 Jul	s	100	97½	1.43
$ 125	Saskatchewan Prov	7½	'91 Jul	s	100	99½	7.42
dm 45	Renown Look Inc W/w	1¾	'91 Jul	s	100	105½	.17
$ 150	Liberty Mutual Cap Co	8⅛	'96 Jul	s	101	101	8.34
dm 500	World Bank	6	'96 Jul	s	99¾	100⅜	5.97
dm 60	Lindt & Spruengli W/w	3	'93 Jul	s	100	182¼	1.58
dm 60	Lindt & Spruengli X/w	2	'93 Jul	s		79	5.75

STRAIGHT BONDS
All Currencies Except DM

HIGHEST YIELDS
to Average Life Below 5 Years

Amt	Security	%	Mat	Middle Price	Yield Mat	Yield Ave Life	Yield Curr
$ 15	Ward Foods O/s Capita	5⅝	'88 Nov	80	17.32	18.93	7.19
$ 125	Pemex Petroleos Mexic	11½	'88 Jul	93½	15.69	16.47	12.30
$ 30	Mexico	8⅞	'91 Dec	83	13.37	14.53	10.54
$ 25	South Africa	7¾	'87 Dec	94	12.82	13.18	8.24
$ 65	Eec Europ Econom Com	14⅛	'93 Apr	106½	13.18	12.39	13.85
$ 40	Mexico	8½	'87 Mar	98	12.08	12.05	8.67
$ 50	Anglo American Corp	7½	'87 Mar	98	11.26	11.26	7.65
$ 14	Reliance Transcontine	6¼	'88 Feb	93½	11.71	11.26	6.68
$ 75	Sncf Nat Chemins Fer	13	'91 Feb	104½	11.61	11.16	12.44
f 12	Rothschild Inv Holdin	14½	'90 Aug	103½	12.49	12.40	14.04
dm 80	Johannesburg City	8	'86 Sep	99⅜	12.83	12.83	8.02
dm 100	Escom Electr Supply	6⅛	'87 Sep	96⅝	12.55	12.55	6.44
nkr 100	Norges Hypotekinstitutt	9½	'88 Apr	98½	11.45	11.57	10.66
f 15	Eib Europ Invest Bank	12	'91 Jul	102	11.48	11.37	11.76

HIGHEST YIELDS
to Average Life Above 5 Years

Amt	Security	%	Mat	Middle Price	Yield Mat	Yield Ave Life	Yield Curr
$ 50	Dome Petroleum	10	'94 Jul	89	12.24	12.70	11.24
$ 50	Ingersoll-Rand Intl	13¼	'95 Oct	107	11.92	11.57	12.38
$ 75	Caisse Nat Autoroutes	15⅛	'97 Mar	119¼	12.46	11.31	12.31
$ 100	Alaska Housing Fin Co	11¾	'94 Feb	104	10.91	10.98	11.30
$ 75	Intl Standard Electri	7	'96 Mar	108½	10.85	10.49	11.27
$ 40	Ottawa-Carleton	14¼	'97 Jun	120	11.42	10.02	12.29
$ 50	Macmillan Bloedel	9¼	'93 Mar	98	9.65	9.70	9.44
$ 125	Michelin	10	'94 Aug	102	9.63	9.55	9.80
$ 100	Middletown Trust	10⅜	'98 Jul	105	9.46	9.20	9.88
c$ 75	Canadian Utilities	17	'96 Dec	119	12.29	12.49	14.37
c$ 40	Royal Bank Of Canada	10	'94 May	99½	10.08	10.08	10.05
f 30	Indust Bank Japan Fin	11⅛	'95 Dec	104¼	10.41	10.01	10.69
ecu 50	Giroz Bank Sparkassen	10½	'93 Dec	112½	8.15	8.04	9.33
ecu 60	Industrial Bk Finland	9	'93 Oct	105	8.19	8.04	8.57

HIGHEST CURRENT YIELDS

Amt	Security	%	Mat	Middle Price	Yield Mat	Yield Ave Life	Yield Curr
$ 175	Mexico	18½	'97 Jul	102½	17.94		18.05
$ 75	Pemex Petroleos Mexic	17½	'96 Nov	99	21.19		17.68
$ 60	Gulf States O/s Finan	17½	'88 Oct	101	14.81		17.33
$ 75	Ohio Edison Finance	17½	'88 Oct	103	15.66		16.99
$ 75	Genstar	17½	'89 Oct	103½	15.93		16.91
$ 100	Tenneco Intl	17	'89 Oct	102	16.07		16.67
$ 50	Winnipeg City	17	'86 Oct	102¼	3.43		16.62
$ 200	World Bank	16½	'86 Sep	100⅛	15.37		16.50
$ 75	Ohio Edison Finance	17½	'88 Oct	103	7.48		15.97
c$ 50	Nacional Financiera	17½	'87 Mar	97	22.66		18.28
c$ 50	Hudsons Bay	18	'87 Nov	101	16.77		17.82
c$ 50	Quebec Province	18	'87 Oct	102½	15.89		17.52
c$ 40	Canadian Pacific	17⅛	'87 Nov	102	15.64		17.16
c$ 100	Feder Business Dev Bk	17½	'86 Oct	102	7.45		17.40

DM STRAIGHT BONDS

(Continued on next left-hand page)

ZERO-COUPON BONDS

Aug. 14

Security	Final Maturity	Original Offerings Amt	Year	Price	Offered Price
American Intl Group	15 Aug 2004	$ 250	1984	12	19⅝
Asian Develop Bank	31 Aug 2004	$ 1000	1984	10½	19⅞
Atlantic Richfield Os	4 Feb 1992	$ 500	1982	35⅛	67¼
Baker Intl Finance	25 Feb 1992	$ 225	1982	34.70	66¾
Beatrice Foods O/s	9 Feb 1992	$ 250	1982	35½	57
Belgium	25 Apr 1996	dm 300	1986	52.60	58½
Campbell Soup O/s Fin	31 Apr 1992	$ 200	1982	37	64
Caterpillar Fin Serv	11 Aug 1992	$ 300	1982	34	66
Caterpillar Fin Serv	11 Feb 1994	$ 140	1982	19.94	61¼
Chemical Savings Bank	15 Feb 2010	$ 1200	1985	6.995	11½
Commerzbank	22 May 1995	dm 200	1985	50	60¼
Commerzbank	4 Aug 2006	dm 300	1986	29½	43
Connecticut Mut Life	11 Sep 2008	$ 115	1985	10.80	20¾
Du Pont Overseas Cap	11 Feb 1990	$ 300	1982	35.50	75½
Eksportfinans	3 Oct 1994	$ 300	1984	25	51¾
Electricite France	11 Sep 1994	$ 500	1984	26¼	53
Exxon Capital	15 Nov 2004	$ 1800	1984	11.65	19¾
Florida Feder Savings	15 Jul 1995	$ 160	1985	30.15	45¾
Gaz De France	23 Feb 1992	$ 150	1982	25.83	64¾
Gaz De France	1 Mar 1994	$ 150	1982	19.85	56½
General Electric Cred	17 Feb 1992	$ 400	1982	24.68	65
General Electric Cred	17 Feb 1993	$ 400	1982	22.80	59¼
General Electric Cred	4 Mar 1994	$ 200	1982	19⅝	54½
General Electric Cred	4 Mar 1995	$ 500	1982	17⅛	50
General Electric Cred	18 Jul 1996	$ 400	1984	20.55	44½
General Mills Inc	15 Aug 2004	$ 250	1984	11.85	21
General Mills Inc	15 Aug 2013	$ 1000	1984	4.80	9
Gmac O/s Finance	19 Feb 1990	$ 150	1982	34	75¾
Gmac O/s Finance	3 Feb 1992	$ 250	1982	32⅛	64⅝
Gmac O/s Finance	3 Oct 1992	$ 400	1982	29⅝	61
Gulf Oil Finance	2 Mar 1992	$ 300	1982	33.83	63⅛
Hewlett-Packard Fin	2 Jan 1991	$ 150	1982	44⅝	71⅝
Italy	9 May 1996	ecu 400	1986	52	49½
Nordic Investment Bk	11 Sep 1994	$ 150	1984	31⅛	52¼
Penney Jc Global Fin	17 Feb 1994	$ 350	1984	18½	51½
Pepsico Capital	4 Feb 1992	$ 100	1982	26	65
Pepsico Capital	2 Mar 1994	$ 125	1982	25½	54
Philip Morris Credit	8 Jun 1994	$ 200	1982	25⅛	51⅝
Prudential Realty Sec	15 Jan 1999	$ 245	1984	28.88	38⅛
Reynolds RJ O/s	18 Feb 1992	$ 400	1982	29½	63⅝
Sears Overseas	18 Feb 1993	$ 400	1982	24.72	61¼
Sears Overseas	27 Mar 1994	$ 400	1982	23⅛	55¼
Sears Overseas	18 Jul 1998	$ 500	1984	20⅛	35
Siemens Western W/w	28 Jun 2001	$ 833	1986	58.50	60⅛
Siemens Western X/w	28 Jun 2001	$ 833	1986		28¼
Swedish Export Credit	18 Mar 1994	$ 200	1982	19.70	54⅛
Swedish Export Credit	17 Sep 1994	$ 250	1982	22.225	53⅞
Swiss Bank Corp	14 Nov 1997	$ 400	1984	25	38⅞
Wells Fargo Intl Fin	4 Feb 1998	$ 125	1983	24⅝	37
World Bank	28 Dec 2015	1000	1985	7¾	10⅝
Xerox Credit O/s Fin	11 Feb 1992	$ 250	1982	29⅛	65

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Marketmakers in Deutschmark Bonds WestLB
Westdeutsche Landesbank

International Herald Tribune
BUSINESS / FINANCE
MONDAY, AUGUST 18, 1986

EUROBONDS

Europe Shows Restraint Toward Firm U.S. Market

International Herald Tribune

LONDON — Heightened expectations that the U.S. Federal Reserve Bank will loosen its credit policy in the face of weak economic growth helped release a cascade of new corporate debt onto the New York bond market last week. More than $2 billion worth was launched on Wednesday alone. But despite firm prices in the Eurodollar bond market, with fixed-rate paper ending the week up around ¼ point overall, syndicate desks on this side of the Atlantic have been showing more restraint.

European investors are being extremely selective in their purchases and there is a heavy weight of unsold bonds languishing on underwriters' books over the summer vacation period.

The general difficulty of selling corporate names in Europe only highlights the success of British Telecom, the former government-owned telecommunications monopoly that was denationalized at the end of 1984, which on Friday launched a $250-million 7⅝-percent issue maturing in 1996 via Morgan Guaranty — its first international bond market offering.

The Telecom bonds, priced to yield 56 basis points over equivalent U.S. Treasury notes, were snapped up. Dealers said the credit — rated AAA by Standard & Poor's — was as good as that of any other European name. By the close of the week's business, the bonds were trading at about 99.30.

Eurobond Yields
For Week Ended Aug. 13

U.S.$ lg term, Int'l inst.	8.49 %
U.S.$ long term, ind.	8.73 %
U.S.$ medium term, ind.	8.79 %
Can.$ medium term	9.89 %
Aus.$ medium term	14.20 %
French Fr. short term	8.33 %
Sterling medium term	10.02 %
Yen medium term, Int'l inst.	5.77 %
Yen lg term, Int'l inst.	6.03 %
NZ$ short term	17.36 %
ECU short term	7.21 %
ECU medium term	7.76 %
ECU long term	7.85 %

Calculated by the Luxembourg Stock Exchange.

Market Turnover
For Week Ended Aug. 14
(Millions of U.S. Dollars)

	Total	Dollar	Non-dollar Equivalent
Cedel	18,918.9	11,005.5	7,913.4
Euroclear	38,845.5	29,857.9	8,987.6

However, some houses reported that they had been able to pick up bonds during the early morning at a discount of 2⅛ from the Far East, where the issue clearly had been seriously undervalued at one stage.

Earlier in the week, both Merrill Lynch and Postipankki, the Finnish bank, launched $200-million, fixed-rate Eurobond packages equally split between fully paid and partly paid portions.

Merrill's issue was priced to return around 95 basis points — 0.95 of a percentage point — more than U.S. Treasury notes and 20 to 25 basis points more than the outstanding Merrill Lynch fixed-rate Eurobonds.

The partly paid 8-percent, 7-year portion traded last Friday at a discount of 1⅝ bid. The fully paid portion offered on the same terms, at a discount of 1⅛ bid.

POSTIPANKKI'S 7¾-percent, 7-year issue was more tightly priced at 65 basis points over equivalent Treasuries and both its tranches were quoted at a discount of 1⅛ bid.

Eurodollar floating-rate-note investors were treated to a richer diet last week than they have had with recent FRN issues from sovereign borrowers raising funds at levels below the London interbank bid rate.

For accounting reasons, floater buyers focus on a spread above the London interbank offered rate more than any other measure of return. A new $400-million perpetual issue for Hydro-Quebec paying 1/16 percent over Libor and a $125-million, 10-year issue for Carteret Savings Bank collateralized with U.S. government-sponsored agency debt also paying 1/16 percent over Libor were warmly received partly for that reason. Both issues traded at about 99.80 on Friday.

FRN dealers pointed out, however, that Carteret has an option to issue a further $125 million at the same terms over the next year and the issuer has an outstanding $125-million, 8-year FRN issue paying ⅛ percent over Libor that is callable from November this year. With the 1994 issue trading at about 100.15, Carteret would seem set to use its call option to repay the more expensive notes and issue the tap.

The Euroyen bond market has seen a good deal of activity recently, largely because of strong investor demand from Tokyo. The sector's depression evident earlier this year when there was a glut of new issues has worn off and dealers say that U.S. corporate or European-name yen bonds yielding 6 percent or more are being sought after.

One deterrent to non-Japanese new issuers, however, is the current difficulty of the yen swaps market. According to new issue managers, a prime quality bank issuer could only expect to swap out of fixed-rate Euroyen at only around 30 basis points below Libor — probably not enticing enough.

Such problems were of no concern to Nippon Telegraph & Telephone, the Japanese telecommunications monopoly scheduled for denationalization, which launched a 50-billion-yen, 5⅞-percent, 10-year issue last Monday via the lead management of Nomura International.

On the strength of a highly popular name, the issue was a

See EUROBONDS, Page 9

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States	Last Wk.	Prev.Wk.	Ch'ge
DJ Indus.	1,855.40	1,782.62	+4.09 %
DJ Util.	211.24	204.00	+3.55 %
DJ Trans.	756.00	712.88	+6.05 %
S & P 100	231.57	222.67	+4.00 %
S & P 500	247.15	236.88	+4.34 %
S & P Ind.	272.86	261.86	+4.20 %
NYSE Co.	142.22	136.41	+4.26 %
Britain			
FTSE 100	1,602.40	1,525.80	+5.02 %
FT 30	1,271.00	1,217.40	+4.40 %
Hong Kong			
Hang Seng	1,935.76	1,931.29	+0.23 %
Japan			
Nikkei 225	18,376.41	17,435.53	+5.40 %
West Germany			
Commerzbk	2,009.80	1,952.00	+2.96 %

Source: James Capel & Co, London.

Money Rates

United States	Last Wk.	Prev.Wk.
Discount rate	6	6
Federal funds rate	6½	65/16
Prime rate	8	8
Japan		
Discount	3½	3½
Call money	4⅝	4⅝
60-day interbank	4⅝	411/16
West Germany		
Lombard	5½	5½
Overnight	4.50	4.55
1-month interbank	4.60	4.70
Britain		
Bank base rate	10	10
Call money	10	9⅞
3-month interbank	9 31/64	9⅝

Dollar	Last Wk.	Prev.Wk.	Ch'ge
Bk Engl Index	107.26	107.70	—0.41 %
Gold			
London p.m. fix. $	385.10	368.80	+4.42 %

Currency Rates

Cross Rates *Aug. 15/ Aug. 14*

	$	£	D.M.	F.F.	I.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	2.3225	3.479	112.675 *	34.65 *	0.1637 *	—	5.437 *	139.86 *	151.06 y
Brussels(a)	42.7075	63.55	20.7055	6.3635	3.007 *	18.3765	—	25.70	27.77 *
Frankfurt	2.067	3.09	—	30.77 *	1.452 x	88.745 *	4.877 *	124.15 *	1.3415 *
London (b)	1.4935	—	3.0773	9.998	2,119.00	3.4666	63.69	2.48	220.775
Milan	1,417.75	2,112.06	688.50	271.45	—	611.20	33.286	865.21	9.34
New York(c)	—	0.6685 *	2.0665	6.697	1,418.00	2.321	42.665	1.6606	153.75
Paris					Closed				
Tokyo	153.30	229.30	74.63	22.95	10.86 *	66.25	348.45 *	92.74	—
Zurich	1.4618	2.4665	80.555 *	24.79 *	0.117 *	71.535 *	3.8876 *	—	1.0795 *
1 ECU	1.0233	0.6873	2.107	6.8587	1,451.56	2.3742	43.6134	1.4977	157.231
1 SDR	1.20904	0.80851	2.49909	N.Q.	N.Q.	2.8092	N.Q.	2.0097	185.406

Closings in London and Zurich, fixings in other European centers. New York rates at 4 P.M. (a) Commercial franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (*) Units of 100 (x) Units of 1,000 (y) Units of 10,000 N.Q.: not quoted; N.A.: not available. (*) To buy one pound: $U.S.1.496

Other Dollar Values

Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$
Argen. austral	0.96	Fin. markka	4.918	Mex. peso	676.00	Soviet ruble	0.6785
Austral. $	1.6147	Greek drac.	134.00	Norw. krone	7.3225	Span. peseta	132.65
Austr. schil.	14.48	Hong Kong $	7.7915	Phil. peso	22.025	Swed. krona	6.9175
Belg. fin. fr.	43.23	Indian rupee	12.27	Port. escudo	144.00	Taiwan $	37.29
Brazil cruz.	14.91	Indo. rupiah	1,130.00	Saudi riyal	3.7525	Thai baht	26.035
Canadian $	1.3891	Irish £	0.7446	Sing. $	2.1585	Turkish lira	668.95
Chinese yuan	3.7036	Israeli shek.	1.4865	S. Afr. rand	2.4001	UAE dirham	3.672
Danish krone	7.735	Kuwaiti dinar	0.2905	S. Kor. won	879.30	Venez. boliv.	18.50
Egypt. pound	1.35	Malay. ring.	2.613				

£ Sterling: 1.1122 Irish £

Sources: Banque du Benelux (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Goskank (ruble). Other data from Reuters and AP.

Hungary's Bright Economy Begins to Tarnish

Foreign Debt And Inflation Are Blamed

By George Jahn
The Associated Press

John Kifner/The New York Times

Hungarians shopping at vegetable market in Budapest.

BUDAPEST — Economic problems piling up over the years have begun to cloud Hungary's image as the consumer paradise of the Soviet bloc.

Stores still are filled with goods, but fewer and fewer people can afford to buy them.

"I now find that if I want to buy a pair of boots I have to start thinking three months ahead of time," said a high school teacher.

Officials and government-run newspapers are expressing alarm over last year's poor economic indicators and say that the situation does not look better for the foreseeable future.

Most worrying are Hungary's reported foreign debt of $10 billion, drops in industrial and agricultural production, a growing budget deficit, a decline in living standards and persistent inflation pressures.

Some of the problems have been around at least since the beginning of the decade, experts say. But public attention focused on them only last year, after leaders at the 13th Communist Party Congress spoke pessimistically of the country's economic performance.

Things have not changed much this year, according to Ferenc Havasi, a member of the Politburo and the party's economic specialist.

"The national economy's development for the first five months is characterized in general by the continuation of last year's unfavorable tendencies," Mr. Havasi was quoted as saying in the July issue of Tarsadalmi Szemle, the party monthly.

Some of the problems, such as inflation and the foreign debt, are an outgrowth of decisions made in the early 1970s that placed paramount emphasis on economic growth and improved living standards.

Government-run industries were given a great deal of autonomy in an attempt to compete with the West. Private enterprise was encouraged, the role of profit in the economy recognized, and luxury goods became available to consumers.

While few Hungarians became rich under the new economic freedoms, many achieved comparative well-being only by moonlighting, and two wage earners in a family became the rule by the late 1970s, when costs began to outstrip wages.

Annual inflation has hovered at 5 percent to 10 percent since then, and the living standard has fallen by about 7 percent in the past three years.

Private boutiques with the latest Western styles — and prices — still line fashionable Vaci Street. Stores elsewhere also remain well-stocked for those who can afford them.

But more and more people cannot. The average monthly salary is 6,000 forints ($137) and most pensioners and young people just starting to work fall far below that.

"For many people things have gotten definitely worse, the small pensioners for instance," said Ivan Benet, an economist with the Institute of Economics, which is regularly consulted on economic policy by the government.

Other problems are less visible but perhaps more worrying, Mr. Benet said in an interview.

The reported $10-billion foreign debt translates into the highest per capita within the Soviet bloc, eclipsing that of Poland or Romania, the two East-bloc countries most in the news because of debt or economic problems.

Nevertheless, Hungary remains economically healthier than either of the two and has been meeting interest payments on the debt. It has not, however, been able to reduce the principal.

In the past 15 years "quick growth was going on, but the country got heavily into debt," Mr. Benet said. "The country's debt ... is high by any standard," he added, "and I consider this one of our great problems."

Another worry is the cost of running outmoded factories.

Successful enterprises face another barrier. Taxes impede their attempts to remain competitive by investing, according to Tamas Beck, head of the Hungarian Chamber of Commerce and director of the government-run Budaflax fiber concern.

"Of the 100 forints produced by a company," he was quoted as telling the economic weekly Heti Vilaggazdasag, "they take away 80 to 85 forints for tax purposes and 10 to 15 forints that must be used to pay interest on loans negotiated earlier. It cannot do much with what remains."

The agricultural sector, a success in the past two decades, also is earning less hard currency than it did in the 1970s.

Because of a glut, food prices have dropped in Western markets. The Soviet Union, Hungary's main buyer, continues to purchase some of its foodstuffs with Western currencies but it paid less in 1985 than in years before to make up for Hungary's ruble deficit, according to experts.

Wharton Forecasting Associates of Philadelphia estimates that Hungary's hard-currency earnings from exports to the Soviet Union declined to about $460 million by 1984, from $700 million in 1982.

After years of favorable rates, Hungary now pays more than the West for oil because of an agreement between Moscow and its East-bloc allies setting the price of Soviet crude at the average of the world price in the last five years.

In Vienna, the statistics office of the Organization of Petroleum Exporting Countries said that the exact prices paid to the Soviet Union by its East-bloc allies would depend on the grades of the oil they bought. But it said that the five-year average price in Europe is about $31 a barrel, a price the office said was a good indication of what the Eastern bloc is paying.

Free-market prices dropped to

See HUNGARY, Page 9

Global Survey Ranks Japan First in Business

Reuters

GENEVA — Japan has edged the United States out of first place in international business competitiveness, according to a private economic research group's annual survey published Sunday.

The EMF Foundation said that Switzerland, in third position, rated highest among European countries studied. Britain, France and Italy trailed far behind in 15th, 16th and 18th place.

The survey analyzed and compared the competitive strength and business environments of 23 members of the Organization for Economic Cooperation and Development and nine developing nations.

It concluded that Japan's success was due largely to the control of inflation, the share of corporate profits in national income, the national savings rate and resultant cheap and abundant finance for industry, and low real interest rates.

Taiwan led the rankings of Third World nations, followed by Singapore, whose general economic productivity, the survey said, exceeded that of 17th-placed Ireland and approached that of Britain. Hong Kong was third and South Korea fourth among developing nations.

The EMF Foundation said that the survey considered a wide range of indicators, including production costs, productivity, economic infrastructure, worker motivation, state intervention and social and political stability. It also combined statistical data with opinions of business executives and leading officials in the countries surveyed.

Countries were ranked on each of 340 criteria and the results consolidated to give an overall score, the foundation said.

It said that the overall picture in the United States was favorable, but business confidence was more subdued than last year and prospects for near- and medium-term investment growth were poor.

Business executives complained that the government's domestic and foreign economic policies lacked coordination and they said that U.S. industry was being damaged by foreign protectionism.

The greatest advantages enjoyed by U.S. companies were relative freedom from restrictions, deregulation, fiscal incentives, eased antitrust rules and a social and political environment that allowed them to adapt more quickly to changed circumstances, the survey said.

Switzerland was ranked third primarily because of social and political stability, general economic growth prospects, low absenteeism and willingness of workers to adapt to new jobs, technologies and objectives, the survey said.

Fourth-ranked West Germany generally was credited with having accomplished the best structural change of all European countries because of its well-rooted market economy orientation, near-zero inflation, political stability and good industrial relations, the survey said.

The report said that Britain, France and Italy had reason to be worried about their competitive lag behind other OECD countries.

Beijing Jeep Will Resume Production

Agence France-Presse

HONG KONG — Beijing Jeep Corp. will resume production Monday after a two-month halt resulting from a lack of foreign exchange, according to a Xinhua dispatch monitored here.

The news agency said the plant, a $51-million venture between Beijing Automotive Works and American Motors Corp. of the United States, would begin exporting vehicles by the end of 1986.

The venture plans to produce 2,000 Cherokee Jeeps by next May and to increase annual output, the agency quoted Don St. Pierre, its president, as saying.

The plant began production in 1985. But its first 1,081 vehicles were sold only in China, resulting in a lack of foreign exchange when the company needed to import assembly kits.

McDonnell Is Said to Hit A Snag in Airbus Talks

By Nicholas Kristof
New York Times Service

LOS ANGELES — Talks between McDonnell Douglas Corp. and Airbus Industrie, the European consortium, on collaborating on new planes have reached a very sensitive stage, sources familiar with the talks have said.

The discussions could lead to a joint European-American effort that would rival Boeing Co.'s dominance of the international airplane market. But McDonnell Douglas and Airbus face the obstacle that neither wishes to give up the long-range jet it is planning, according to an industry source in Britain, where many of the discussions are taking place.

Company sources said the talks, which have been under way for about four months, are serious, but in a very sensitive stage.

McDonnell Douglas wants Airbus to cancel plans for its A-340 airliner, while Airbus would like McDonnell to relinquish its planned MD-11 jet, one source said. The two planes would compete for the long-range market, and some doubt that it is large enough to support two different aircraft.

McDonnell Douglas and Airbus, the Paris-based consortium that includes airplane companies in France, West Germany, Britain and Spain, regularly battle for the second-place spot in the lucrative business of selling planes to airlines around the world.

Boeing, based in Seattle, is by far the industry leader. A broad collaboration, if one could be forged, would be a substantial upset in the airline market.

Jerry Cantwell, an analyst at First Manhattan Co., said that while cooperation would benefit both companies, particularly improving Airbus's ability to sell in the United States, the rivalry between the A-340 and the MD-11 was a serious stumbling block.

"They're natural enemies rather than natural friends," he said.

As the talks are still quite general, they are unlikely to lead to an agreement within the next month or so, company sources said.

Geoffrey Norris, a spokesman for McDonnell Douglas in Europe, said that cooperation on Airbus's A-330 medium-range plane was one possibility, but he added: "It would be wrong to single out one program. Collaboration, if it happens, would have to be broad."

An Airbus spokesman in New York said that the companies were exploring the question of whether cooperation was possible in principle.

An officer of McDonnell Douglas said that a firm decision to begin work on the MD-11, which would carry 330 passengers and have a range of 8,050 miles (13,000 kilometers) could come within a month or two.

Airbus said it would decide approximately by the end of the year whether to start working on its A-340, which would seat 260 passengers and have a range of more than 6,900 miles.

If McDonnell Douglas announces within the next few months that it will start manufacturing its MD-11, that could frighten Airbus into abandoning its A-340, one source speculated. That could lay the groundwork for cooperation on the MD-11 and the A-330, as well as future projects such as a stretch version of the MD-11 designed to compete with Boeing jumbo jets.

Peru Vows Further Isolation

By Walker Simon
Reuters

LIMA — President Alan García Pérez has vowed that his country would distance itself further from the international financial system as a result of the International Monetary Fund's decision to cut credit to Peru.

"We now are going to isolate ourselves from domination, imperialism and the exploitation of the unjust distribution of the world's wealth," Mr. García said Friday.

The IMF declared Peru ineligible for further IMF credit because it had paid only $35 million of the $180 million that was due to the lending agency by Friday.

"We cannot pay on the terms demanded by the private banks, IMF nor to governments," Mr. García said in a speech after the decision. "A country can't sacrifice its people to pay interest rates fixed in New York or London."

An IMF declaration of ineligibility is viewed as a key measure of creditworthiness since only a handful of poor countries have lost borrowing rights from the 151-nation fund, bankers said.

Since Mr. García took office on July 28, 1985, Peru has adopted the hardest stance on repayment terms of any of major Latin American debtor nation.

The government has set a debt service ceiling of 10 percent of export earnings, remitting barely one-seventh of what it owed on its debt over the past year, according to Mr. García.

Peru's total debt to the IMF is about $800 million out of an overall foreign debt of $14 billion.

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International Bond Prices

(Continued)

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
dm 150	Statoil Den Norske	6	'88 Sep	101¼	5.34	4.87	5.93
dm 150	Statoil Den Norske	6½	'89 Mar	101¼	5.94	5.48	6.42
dm 35	Trondheim City	5¾	'88 Apr	100¾	5.44	5.42	5.74
	PORTUGAL						
dm 150	Portugal	7¾	'92 May	105¼	6.67		7.36
dm 250	Portugal	7	'93 Sep	102¾	6.59		6.85
dm 200	Portugal	6¾	'94 Jan	99¾	6.64		6.43
	SOUTH AFRICA						
dm 200	South Africa	8½	'91 Dec	96¾	9.28		8.77
dm 250	South Africa	7¾	'92 Dec	90¾	9.76		8.54
dm 100	Escom Electr Supply	6¼	'87 Sep	96¾	9.44	12.55	6.46
dm 100	Escom Electr Supply	9¼	'87 Nov	101	8.50		9.16
dm 100	Escom Electr Supply	7	'88 May	97¾	8.42	9.00	7.16
dm 150	Escom Electr Supply	8½	'90 Apr	98½	8.97		8.63
dm 100	Escom Electr Supply	9½	'90 Jun	101	9.16		9.41
dm 150	Escom Electr Supply	8	'92 Apr	95	9.14		8.42
dm 100	Escom Electr Supply	8¼	'92 Sep	95	9.36		8.68
dm 200	Escom Electr Supply	8¼	'93 Apr	95	9.71		8.87
dm 100	Iscor Iron Steel	7	'87 Apr	98	10.29	10.39	7.14
dm 100	Iscor Iron Steel	7	'88 Mar	99	7.66	8.02	7.07
dm 100	Iscor Iron Steel	9	'88 Mar	101	8.22		8.91
dm 100	Iscor Iron Steel	8½	'88 Nov	100½	8.21	8.08	8.46
dm 80	Johannesburg City	8	'86 Sep	99¾	12.83	12.83	8.02
dm 50	Johannesburg City	10	'86 Oct	100	9.50		10.00
dm 100	Johannesburg City	6¼	'87 Sep	99	7.26	8.07	6.31
dm 100	Post Telecom Pretoria	7¾	'90 Jul	98¾	8.26		8.01
dm 100	Post Telecom Pretoria	9	'90 Oct	99¼	9.21		9.07
dm 150	Post Telecom Pretoria	8¾	'91 Jun	94¾	9.74		8.83
dm 100	Post Telecom Pretoria	8	'93 Jul	92½	9.52		8.65
dm 100	South Africa Railways	7½	'88 Jun	98	8.72	9.02	7.65
dm 100	South Africa Transpor	7¾	'92 Nov	91¼	9.62		8.21
dm 150	South Africa Transpor	8	'93 Jan	93¾	9.37		8.58
	SOUTH AMERICA						
dm 150	Argentine	7½	'89 May	100½	7.27	7.18	7.46
dm 150	Brazil	7¼	'87 Jan	100¼	6.89		7.22
dm 150	Brazil	8	'87 Aug	102	5.81		7.84
dm 100	Brazil	6¾	'87 Oct	100¼	4.82	5.44	6.70
dm 150	Brazil	9¼	'88 Jun	104½	6.57		8.86
dm 250	Venezuela	6	'88 Mar	99	6.67	6.91	6.06
dm 150	Venezuela	6½	'90 Nov	99	6.77	6.90	6.57
dm 150	Venezuela	9¾	'90 Nov	101½	9.36	9.15	9.63
dm 100	Bnde (Brazil)	8½	'87 Apr	102½	3.96	3.93	8.27
dm 150	Comp Energ Sao Paulo	7	'87 Nov	101	6.09	5.43	6.93
dm 100	Eletrobras	7	'87 Feb	100½	5.77		6.97
dm 150	Eletrobras	7	'87 Sep	101	5.98	5.83	6.93
dm 125	Light-Services Brazil	8½	'90 Jan	101¾	7.83	7.40	8.34
dm 100	Petrobras	7	'88 Oct	100½	6.68	6.27	6.95
dm 125	Petrobras	8	'89 Oct	103¼	6.98	6.14	7.79
	SPAIN						
dm 200	Spain	6	'88 May	100¾	5.51		5.96
dm 200	Spain	8¼	'92 Aug	108¾	6.51		7.62
dm 200	Spain	7⅝	'95 May	108½	6.32		7.03
dm 100	Aumar	7½	'88 Feb	102¾	5.46	4.53	7.28
dm 100	Autopistas	8	'86 Oct	100	7.73	7.73	8.00
dm 100	Autopistas	6¾	'87 Oct	101½	5.33	4.22	6.65
dm 100	Europistas	8	'87 Jan	101	5.37	5.15	7.92
dm 100	Fenosa	7¾	'92 Jan	106½	5.98		7.24
dm 100	Renfe Red Nacional	8¼	'91 May	105¼	6.90		7.84
dm 100	Renfe Red Nacional	10	'92 May	116¼	6.57		8.60
dm 100	Renfe Red Nacional	7¾	'95 May	106¼	6.71		7.26
dm 100	Telefonica Nacional	8¼	'93 Jan	107¾	6.76		7.65
	SUPRANATIONAL						
dm 100	African Develop Bank	8	'87 Nov	101½	6.64		7.88
dm 100	African Develop Bank	10	'89 Oct	109¼	6.45		9.11
dm 100	African Develop Bank	8	'91 Apr	105¼	6.52		7.57
dm 100	African Develop Bank	6¼	'96 May	96¼	6.78		6.49
dm 100	Asian Develop Bank	5½	'88 May	100¾	5.09		5.47
dm 100	Asian Develop Bank	7¼	'89 Aug	102¾	6.16		7.05
dm 100	Asian Develop Bank	10¾	'89 Oct	112¾	6.14		9.52
dm 200	Asian Develop Bank	10	'90 May	105	8.25		9.52
dm 100	Asian Develop Bank	8⅛	'90 Nov	105	6.95		7.98
dm 200	Asian Develop Bank	7¾	'91 Mar	108¾	5.53		7.13
dm 100	Asian Develop Bank	10	'91 Apr	108½	7.73		9.22
dm 150	Asian Develop Bank	9¼	'92 Apr	112¾	6.48		8.20
dm 150	Asian Develop Bank	9¼	'92 Aug	115¼	6.34		8.03
dm 150	Asian Develop Bank	8¼	'92 Nov	110¾	6.21		7.48
dm 100	Asian Develop Bank Pp	8¼	'93 Jun	108	6.74		7.64
dm 200	Asian Develop Bank	8½	'93 Nov	110¾	6.64		7.70
dm 200	Asian Develop Bank	7¾	'94 Apr	107½	6.46		7.21
dm 200	Asian Develop Bank	8	'94 Sep	109¼	6.49		7.32
dm 200	Asian Develop Bank	6½	'95 Oct	101¾	6.22		6.38
dm 200	Asian Develop Bank	6¼	'96 Mar	100¾	6.22		6.24
dm 200	Asian Develop Bank	7¾	'97 Apr	108½	6.61		7.14
dm 100	Council Of Europe	6½	'87 Nov	101	5.36	4.76	6.19
dm 100	Council Of Europe	6¾	'88 May	101¼	5.54	5.84	6.66
dm 60	Council Of Europe	7	'88 Jul	103½	5.00	4.31	6.76
dm 50	Council Of Europe	8½	'88 Jul	105½	4.98		7.70
dm 130	Council Of Europe	6½	'88 Nov	100¾	5.86	5.57	6.20
dm 100	Council Of Europe	7¼	'89 May	101	6.81	6.58	7.18
dm 125	Council Of Europe	7½	'89 Oct	102	6.76	6.14	7.35
dm 100	Council Of Europe	10	'91 Apr	106	8.37	7.47	9.43
dm 100	Council Of Europe	10¼	'91 Oct	107	8.51	7.64	9.58
dm 150	Council Of Europe	10	'92 Feb	108½	8.01	7.15	9.22
dm 100	Council Of Europe	8¾	'92 Jul	108¾	6.87	6.11	8.05
dm 100	Council Of Europe	8	'92 Jul	106¾	6.58		7.49
dm 125	Council Of Europe	8¼	'92 Nov	106¾	7.02	6.56	7.78
dm 150	Council Of Europe	7⅞	'93 Feb	108¼	6.28	5.72	7.27
dm 150	Council Of Europe	8¼	'93 Jul	110	6.32	5.85	7.61
dm 150	Council Of Europe	8¼	'93 Nov	107¾	6.85	6.51	7.49
dm 150	Council Of Europe	8½	'94 Feb	108½	6.97	6.82	7.49
dm 150	Council Of Europe	6¼	'94 Jul	99⅞	6.27		6.26
dm 200	Council Of Europe	7½	'94 Dec	104	6.85	6.74	7.21
dm 150	Council Of Europe	7¾	'95 May	104¼	6.85	6.65	7.16
dm 150	Council Of Europe	6¾	'95 Oct	101¾	6.33	6.51	6.51
dm 125	Ecs Euro Coal & Steel	9¾	'87 Jan	102¾	3.76		9.51
dm 100	Ecs Euro Coal & Steel	6¾	'87 Jul	101	5.39	5.29	6.44
dm 150	Ecs Euro Coal & Steel	7	'88 Jan	101½	5.80	5.21	6.90
dm 150	Ecs Euro Coal & Steel	6¾	'88 Apr	101½	5.65	5.51	6.42
dm 150	Ecs Euro Coal & Steel	6	'88 Nov	100¾	5.92		5.99
dm 150	Ecs Euro Coal & Steel	9¾	'88 Dec	101¾	8.97	7.97	9.34
dm 150	Ecs Euro Coal & Steel	7¾	'90 Jan	102	7.17		7.22
dm 150	Ecs Euro Coal & Steel	5¾	'90 Apr	99¾	5.36	5.43	5.27
dm 160	Ecs Euro Coal & Steel	8	'90 Aug	108¾	5.45		7.35
dm 120	Ecs Euro Coal & Steel	10	'91 Mar	105	8.48	7.72	9.52
dm 150	Ecs Euro Coal & Steel	7	'91 Apr	101¾	6.54	6.35	6.88
dm 100	Ecs Euro Coal & St Pp	8⅛	'92 Jan	101¾	6.23	6.41	7.43
dm 150	Ecs Euro Coal & Steel	7¾	'92 Sep	100¾	7.82	7.77	7.86
dm 100	Ecs Euro Coal & Steel	7	'92 Dec	106¾	6.30		6.76
dm 150	Ecs Euro Coal & Steel	7½	'93 Jan	104¾	6.56	6.34	7.16
dm 200	Ecs Euro Coal & Steel	7½	'93 May	105¾	6.50		7.13

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
dm 60	Ecs Euro Coal & Steel	9¾	'94 Jan	102½	9.25	8.96	9.51
dm 280	Ecs Euro Coal & Steel	8	'94 Nov	105	7.17	6.96	7.62
dm 220	Ecs Euro Coal & Steel	7	'95 Jul	104¼	6.38	6.34	6.72
dm 100	Ecs Euro Coal & Steel	6⅞	'97 Dec	100½	6.87	6.98	6.84
dm 200	Eec Europ Econom Com	8	'92 Jan	108¼	6.46		7.39
dm 200	Eec Europ Econom Com	8¼	'93 Jan	108¾	6.61		7.59
dm 100	Eec Europ Econom Com	10¼	'93 Oct	111	8.04	6.64	9.12
dm 200	Eec Europ Econom Com	9¾	'94 Apr	108¾	8.16	7.36	8.97
dm 250	Eec Europ Econom Com	7¾	'94 Nov	103	7.27	7.82	7.46
dm 200	Eec Europ Econom Com	8	'94 Nov	106	7.01	6.52	7.55
dm 200	Eec Europ Econom Com	7¾	'95 Feb	103	7.25	6.94	7.53
dm 200	Eec Europ Econom Com	7½	'96 Nov	106½	6.45		7.07
dm 150	Eec Europ Econom Com	6¼	'97 Sep	102¾	6.21		6.36
dm 100	Eib Europ Invest Bank	7¾	'86 Oct	100	7.40	7.40	7.75
dm 100	Eib Europ Invest Bank	6½	'87 Mar	102	2.76	2.76	6.37
dm 100	Eib Europ Invest Bank	6	'87 Sep	100½	5.49	4.91	5.97
dm 100	Eib Europ Invest Bank	6¾	'88 Feb	104½	6.34	6.34	6.72
dm 150	Eib Europ Invest Bank	7	'88 Jul	103	5.37	4.82	6.80
dm 150	Eib Europ Invest Bank	10	'89 Feb	110½	5.23		9.05
dm 200	Eib Europ Invest Bank	7½	'89 Jun	103¾	6.23		7.22
dm 150	Eib Europ Invest Bank	6	'89 Aug	102	5.25	4.98	5.88
dm 100	Eib Europ Invest Bank	8½	'89 Oct	107½	5.93		7.90
dm 250	Eib Europ Invest Bank	5¾	'90 Mar	100	5.74	5.25	5.75
dm 300	Eib Europ Invest Bank	6	'90 Oct	102½	5.37		5.85
dm 200	Eib Europ Invest Bank	8½	'90 Oct	105¼	6.97		8.08
dm 250	Eib Europ Invest Bank	9½	'90 Dec	107¾	7.38		8.84
dm 250	Eib Europ Invest Bank	6½	'91 Jan	101¾	6.02		6.39
dm 200	Eib Europ Invest Bank	10¼	'91 Apr	114¾	7.70		9.50
dm 200	Eib Europ Invest Bank	10¼	'91 Aug	111	7.76		9.44
dm 250	Eib Europ Invest Bank	10¾	'91 Nov	116¾	7.68		9.19
dm 250	Eib Europ Invest Bank	8	'91 Dec	108¼	6.12		7.38

(Remaining entries in this and the following columns — Eib Europ Invest Bank, Eurofima, Inter-American Dev Bk, International Fin Pp, World Bank (dm), Sweden, Switzerland, United Kingdom, U.S.A. (dm), Euro Currency Units, ECU bonds, Canadian dollar bonds, Norway Kroners, Pounds Sterling, French Francs, Japanese Yen (Euro) — are printed too small and blurred in this scan to be read reliably.) [illegible]

SWEDEN

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
dm 75	Sweden	9¾	'88 Mar	104¼	4.79		9.35
dm 200	Sweden	6	'89 Dec	101¾	5.44	5.25	5.90
dm 150	Sweden	8¼	'89 Dec	105	6.52		7.86
dm 200	Sweden	7⅝	'90 Sep	101½	7.43		7.76
dm 125	Sweden	9¼	'92 Mar	106	8.34		9.20
dm 250	Sweden	7¾	'94 May	106½	6.76		7.39
dm 500	Sweden	7¼	'95 Feb	104¾	6.49		6.92
dm 300	Sweden	6¾	'98 Mar	100¾	6.69		6.77
dm 100	Ericsson Lm	6¾	'87 Mar	101	4.79	4.79	6.68
dm 100	Forsmarks Kraftgrupp	5¾	'90 Jan	100¾	5.70	5.62	5.74
dm 100	Pkbanken Post-Och	5¾	'88 May	100¾	5.65	5.62	5.74
dm 100	Pkbanken Post-Och	5¾	'96 Apr	94¼	6.56		6.10
dm 100	Skf A/B	7¾	'89 May	105¼	5.24		7.01
dm 100	Sveriges Invest Bank	6¾	'87 Mar	100¾	2.67	2.87	6.47
dm 100	Sveriges Invest Bank	7	'88 Mar	104½	2.77	2.36	6.68
dm 100	Swedish Export Credit	9¾	'87 Sep	104½	4.98		9.09
dm 100	Swedish Export Credit	10¼	'91 Nov	110	7.82	7.21	9.32

UNITED KINGDOM · U.S.A. · SWITZERLAND

[illegible]

EURO CURRENCY UNITS

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
ecu 120	All Nippon Airways	9	'95 Apr	108½	7.64		8.30
ecu 50	Austra New Zealand Bk	9¼	'92 Apr	108½	7.21		8.51
ecu 100	Austria	10¾	'93 Jan	113½	7.85		9.36
ecu 57	Bacob Finance	7¼	'93 May	95¾	8.13		7.59
ecu 75	Banco Di Roma	8¼	'92 Jun	101	7.95		8.73
ecu 50	Bank Mees & Hope	9¾	'92 Jul	106	7.69		8.49
ecu 40	Bank Of Tokyo Curacao	9¾	'90 Jan	107¾	6.74		8.46
ecu 100	Banque Franc Com Ext	9¾	'92 Jan	110	7.44		8.86

CANADIAN DOLLARS

[illegible]

NORWAY KRONERS

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
nkr 250	Denmark	9½	'92 Mar	99	9.72		9.60
nkr 200	Eksportfinans	12	'89 Jan	102¾	10.82		11.36
nkr 250	Eksportfinans	10¼	'92 Jan	101½	9.85		10.10
nkr 200	Finland	11¼	'89 Jun	100	10.86		11.25
nkr 250	Nordic Investment Bk	12½	'90 Jul	104¾	11.01	10.26	11.93
nkr 180	Norges Hypoteksforening	10½	'88 Apr	98½	11.45	11.87	10.66
nkr 250	Norsk Data	10¼	'89 Dec	101¾	9.88		10.50
nkr 200	Norsk Hydro	12	'91 Oct	102¾	11.12	10.89	11.68
nkr 100	Oslo City	10¼	'90 Feb	100¼	10.18	10.19	10.22
nkr 150	Oslo City	11¼	'91 Aug	103¼	10.38		10.86
nkr 250	Scandinavian Airlines	10¼	'93 Jun	100¼	10.00		10.07

POUNDS STERLING

[illegible]

FRENCH FRANCS

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
ff 180	Basf Transatlantica	7¾	'87 May	99½	8.16	8.16	7.54
ff 50	Bass Charrington	7½	'87 Aug	99¾	7.91	7.91	7.53
ff 100	Bat Intl Finance	7½	'87 Nov	99¾	7.86	7.80	7.51
ff 100	Charter Consolid O/s	7¾	'87 Oct	99¾	7.71	7.76	7.52
ff 100	Ciments Lafarge	7½	'87 Oct	99½	8.07	8.07	7.54
ff 100	Denmark	7½	'87 Sep	99¾	7.87	8.09	7.52
ff 175	Eib Europ Invest Bank	7¼	'87 Aug	99¾	7.36	7.36	7.26
ff 150	Eurofima	9¾	'87 Mar	99¾	9.82		9.76
ff 500	Gaz De France	11¼	'88 May	111¾	9.47		10.06
ff 100	Oslo City	7¼	'87 Nov	99¼	8.08	8.08	7.29
ff 175	Peugeot-Citroen	9¾	'87 Feb	99¾	10.90	10.90	9.81
ff 100	Pont-A-Mousson	7½	'87 Aug	99¾	7.91	7.91	7.53
ff 200	Renault	7½	'87 May	99¾	8.25	8.27	7.58
ff 100	Rhone-Poulenc	7¾	'87 Mar	99¾	7.80	7.80	7.52
ff 125	Solvay	7¾	'87 Apr	99½	9.29		9.76
ff 150	World Bank	7¼	'87 Jan	99¾	7.52	7.52	7.27

JAPANESE YEN (EURO)

[illegible]

NASDAQ National List

OTC consolidated trading for week ended Friday.

	Sales in 100s	High	Low	Last	Net Ch'ge
A					
AA Imp		4½	4½	4½	
AC Tel	171	5¼	4¾	4¾	— ¼
ACS Ind	3	3¾	3¾	3¾	
AIFS	57	8½	8¼	8¼	
ASDR	1098	¾	⅝		—
ATI	300	6¾	6	6	— ½
AbingS	290	8¾	8½	8½	— ¼
Aceptin	505	9	8¼	8¾	+ ¼
AdamRs	1134	19	17½	19	+ ½
Adapt	682	10¾	9¾	10½	+1½
Adelph	6668	15¾	14¼	15¼	
AdobSy	4280	14¼	11¾	14	

(The remaining NASDAQ listings, sections A through X, are too small and blurred in this scan to be read reliably.) [illegible]

CONVERTIBLE BONDS

Aug. 14

Amt	Security	%	Mat	Mid. Price	—Conv. Period—	—Conv. Price p/sh—	Curr. Conv. Yld. Prm.%
	EUROPE						
	[illegible]						
	JAPAN						
	[illegible]						
	MISCELLANEOUS						
$ 140	Elders Nv 445.65	11½ '94 Jul		130	28 Sep 84 7 Jul 94	au$ 2.54 — au$ 3.662	.22 2.95
$ 150	Jardine Math Pref/sh	7 '00 Jun		96			7.54
	U.S.A.						
	[illegible]						

HIGHEST CURRENT YIELDS

On convertibles having a conversion premium of less than 10%.

Amt	Security	% Mat	Mid. Price	Conv. Period	Conv. Price	Yld. Prm.
$ 140	Elders Nv 445.65	11½ '94 Jul	130	28 Sep 84 – 7 Jul 94	au$ 2.54 – au$ 3.662	.22 2.95
	[illegible]					

14. 8.86

Explanation of Symbols

CNS	Canadian Dollar	SDR	Special Drawing Rights
ECU	European Currency Unit	Y	Yen
EUA	European Unit of Account	LFR	Luxembourg Franc
L	Pound Sterling	SFR	Swiss Franc
DM	Deutsche Mark	FF	French Franc
NMD	Norwegian Kroner - DM		

The Global Newspaper.

New Eurobond Issues

Compiled by Laurence Desvilettes from information supplied by European bond traders.

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
FLOATING RATE NOTES						
Carteret Savings Bank	$250	1996	1/16	100	99.80	Over 6-month Libor. Callable at par in 1989. Fees 0.25%. Registered notes in denominations of $100,000. $125 million issued now and $125 million reserved for a one-year tap.
Hydro-Quebec	$400	perpt	1/16	100	99.80	Over 6-month Libor. Callable at par in 1991. Fees 0.40%. Denominations $10,000.
Banque Nationale de Paris	ECU 100	1996	libor	100	99.75	Interest will be 3-month Libor with no margin. Callable at par in 1987. Fees 0.20%.
Denmark	Y 10,000	1991	libor	102	—	Coupon, pegged to 6-month offered rate for Euroyen, will rise as interest rates fall, and fall as interest rates rise. First coupon set at 8%. Noncallable. Fees 1⅜%.
FIXED-COUPON						
British Telecom Finance	$250	1996	7⅝	100½	99.30	Noncallable. Fees 2%.
Champion Int'l	$ 75	1991	8¼	101⅛	—	Noncallable. Fees 1⅝%.
C. Itoh	$ 40	1991	8⅛	100	—	First coupon paid in one lump sum in 1990. Noncallable. Fees 1⅝%.
Exportfinans	$100	1993	7⅝	100⅝	99.38	Noncallable. Fees 1⅞%.
Lockheed	$150	1989	7¼	100⅜	98.75	Noncallable. Fees 1⅝%.
Merrill Lynch	$100	1993	8	100¼	99.65	Noncallable. Fees 1⅝%.
Merrill Lynch	$100	1993	8	100¼	19.15	Noncallable. 20¼% payable on subscription and balance in Sept. 1987. Fees 1⅝%.
Postipankki	$100	1993	7¾	101½	99.65	Noncallable. Fees 1⅝%.
Postipankki	$100	1993	7¾	101½	19.65	Noncallable. 21½% due on subscription, balance in Sept. 1987. Fees 1⅝%.
Finnish Real Estate Bank	DM 150	1992	6	100	—	Noncallable. Fees 2⅛%.
Aegon	DF 100	1991	5¾	99½	—	Noncallable. Fees 1½%.
Christiania Bank	DK 300	1993	9¾	100⅝	98.63	Noncallable. Fees 1⅞%.
Aegon	ECU 101	1995	7¼	99½	97.75	Noncallable. Fees 2%.
Farm Credit Corp. of Canada	C$ 100	1991	9	100⅝	98.38	Noncallable. Fees 1⅝%.
Federal Business Development Bank of Canada	C$ 100	1989	9	100⅝	98.75	Noncallable. Fees 1⅝%.
GMAC Canada	C$ 100	1991	9½	100⅝	98.38	Noncallable. Fees 1⅝%.
Hudson's Bay	C$ 80	1991	10¼	100	98.25	Noncallable. Fees 1⅝%.
Landesbank Schleswig-Holstein Finance	C$ 60	1991	9⅝	101¼	99.13	Noncallable. Fees 1⅝%.
Nippon Telegraph & Telephone	Y 50,000	1996	5⅝	101¼	100.50	Noncallable. Fees 2%.
EQUITY-LINKED						
Dai Nippon Ink & Chemicals	$250	1993	3½	100	—	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 503 yen per share and at 154.70 yen per dollar. Fees 2¼%.
Intec	$ 35	1991	2⅝	100	—	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 8,560 yen per share and at 154.10 yen per dollar. Fees 2¼%.
Izumi	$ 25	1991	2⅝	100	—	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 1,825 yen per share and at 154.40 yen per dollar. Fees 2¼%.
Matsuyadenki	$ 25	1991	2⅝	100	—	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 1,282 yen per share and at 154.75 yen per dollar. Fees 2¼%.
Wako Securities	$ 50	1991	open	100	104.00	Coupon indicated at 2⅞%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set Aug. 20.
Kaufhof Finance	DM 150	1998	2	100	—	Callable at par in 1991. Each 1,000-mark note with two warrants exercisable into 5 company's shares at 485 marks each, a 5% discount. Fees 2½%.

EUROBONDS: *Japan Issues are Popular in Europe*

(Continued from first finance page)

runaway success, and the bonds closed the week trading at a slim discount of ⅜, indicating almost too generous terms, dealers said.

Long-term interest rates for Danish kroner have moved steadily up from April's 9-percent level. There now is a 2-percent coupon differential between kroner and European currency unit Eurobonds, so European retail investors recently have been attracted to the former.

Last week, Christiania Bank successfully launched a 300-million kroner, 9¾-percent issue payable in 1993. It was priced at 100⅝ to return a little more than 10 percent. But new-issue managers in Copenhagen say that the market for kroner paper remains a limited one and that more than one fresh offering per fortnight could swamp buyers.

The Canadian-dollar Eurobond market also is founded on European demand for high coupons, but it is far better established. Nonetheless, with five new Canadian-dollar Eurobonds launched last week for a total of 440 million dollars, the sector has been closed to further issues for the time being, syndicate officials said.

New fixed-rate Eurobond issues are expected some time this week for Finland and for the Inter-American Development Bank. But the "hot" issue in the pipeline is a $200-million Eurobond for Nomura Securities of Japan with attached warrants giving holders the option to purchase equity in the company.

Investors have been especially choosy about Japanese equity warrants of late, and issues for borrowers with a high proportion of their earnings derived from exports (and therefore more vulnerable to the volatile yen exchange rate) have been met with sometimes disastrous receptions. But the Japanese securities house's stock prices have been performing strongly and a $50-million Eurobond issue with warrants launched last Monday for Wako Securities was trading at 104 on Friday.

Prices Steady as Market Awaits Cut

By H.J. Maidenberg
New York Times Service

NEW YORK — Government bond prices meandered within a narrow range Friday, with the shorter maturities showing an upward bias and the longer end of the market essentially unchanged. Treasury bill rates were slightly lower as the Federal Reserve continued its accommodative credit posture.

With the distribution of the Treasury's $28-billion midquarter refunding completed and many participants on holiday, dealers said, the market is focusing on the timing of the next possible reduction in the Fed's discount rate as well as the economic consequences of a new tax bill.

Alan C. Leventen, director of financial services at Balfour, Maclaine Inc., said Friday: "With the economy still sluggish, despite the massive stimulus provided by the Fed this year, the market is certain that the discount rate will be cut by at least another half-point, to 6 percent, before the end of September."

"Despite all the denials being issued in Bonn and Tokyo," he added, "we expect the next discount-rate cut will be a coordinated move."

U.S. CREDIT MARKETS

As for the market's technical situation, Mr. Leventen expects the long-term Treasury bond market to retest its April highs after the next discount-rate cut. The price of the bellwether long Treasury bond, the 7.25-percent issue of 2116, rose in April to 104. The long bond traded Friday at just under par, or 100 percent of face value.

In late dealings in the secondary market for Treasury debt, the offered price on the key long bond dipped 4/32, to 99.17, for a yield of 7.29 percent. A week earlier, the long bond yielded 7.43 percent.

The 9⅜ bonds of 2006 rose 2/32, to 117 22/32, to yield 7.62 percent. The 7⅜-percent notes of 1996 were unchanged at 101 20/32 for a yield of 7.14 percent, compared with 7.30 percent one week ago. The 7½ bonds of 1991 were unchanged at 102 27/32 and yielded 6.81 percent.

At the shorter end of the coupon market, the 6⅝-percent notes of 1989 gained 2/32, at 100 14/32, for a yield of 6.46 percent, and the 6⅝-percent notes of 1988 rose 1/32, to 100 18/32, to yield 6.31 percent. This was only a basis point above the yield quoted by dealers on the $10 billion of new two-year notes that are to be auctioned Wednesday, which traded Friday on a when-issued basis.

In the secondary Treasury bill market, the discount rate on the 90-day bills fell four basis points, to 5.59 percent. The rate on the companion six-month bills was unchanged at 5.56 percent, and the rate on the one-year bills eased three basis points, to 5.64 percent.

HUNGARY: *New Economic Woes*

(Continued from first finance page)

below $10 a barrel this summer, but recently have moved up to a range of $12 to $15.

Although not bound to do so, Hungary purchases most of its oil from the Soviet Union. It lacks hard currency to shop elsewhere.

Officials contend that many of the problems facing Hungary originate abroad and cannot be solved at home. But newspapers have been increasingly critical in recent months of what they describe as laziness at the work bench.

"Earlier, national work morals were such that the boss did not have to constantly warn his men to work conscientiously," Ede Horvath, manager of the Hungarian Wagon and Machine Factory, was quoted as saying in the government-run newspaper Nepszava last month. "What we have today is abnormal."

But such concerns are ridiculed by members of Hungary's small dissident community.

"The greatest blow that could be dealt the Hungarian economy would be if the workers and enterprises accepted the high-level encouragement and began to work harder and better," said Hirmondo, an underground publication.

"Let us imagine what would happen," the publication continued. "The economy would produce more and more unsalable junk that was raw-material and energy intensive with outmoded machines — if they happen to be working.

"The raw materials and energy import would grow but export would not grow," Hirmondo said. "New loans would be needed to be able to pay for the imports and service the earlier loans and interest."

The final results, it concluded, would resemble the situation in Poland or Romania: "The economy would be growing at a quick pace seen statistically, but would collapse in reality."

U.S. Consumer Rates
For Week Ended Aug. 15

Passbook Savings	5.50 %
Tax Exempt Bonds, Bond Buyer 20-Bond Index	7.33 %
Money Market Funds, Donoghue's 7-Day Average	5.99 %
Bank Money Market Accounts, Bank Rate Monitor Index	5.93 %
Home Mortgage, FHLB average	11.00 %

Malawi Devalues Currency

Reuters

LILONGWE, Malawi — Malawi has devalued its currency, the kwacha, by 10 percent, effective immediately, the Ministry of Finance and the Reserve Bank announced Sunday. It said that the change was intended to "ensure the competitiveness of Malawi's exports on markets abroad in the light of continuing transport difficulties the country faces."

WORLD STOCKS IN REVIEW / *Via Agence France-Presse*

Amsterdam

AMSTERDAM — Trading on the stock exchange yielded several records last week as quarterly reports by international companies, the major banks and other prominent stocks coincided with the end of the vacation period for large groups of investors.

The stockbrokers Kempen & Co. said prospects seemed improved for the coming weeks because the Dutch economy is sound and interest rates are coming down, with yields on long-term government bonds reaching a low for the year at 6.04 percent.

The general share index reached a record high of 296.6 Tuesday, 2.2 points better than the previous record, set July 11. Unilever provided the momentum Tuesday by announcing favorable quarterly and first-half results.

On Wednesday, the general share index advanced further to 297.7 on the strength of good results reported by Philips. The market sustained its record level on Thursday despite a disappointing performance by KLM.

The industrial and general local sectors broke records on four consecutive days. The trade index reached new highs Monday and Tuesday, but declined a few points later in the week.

Frankfurt

FRANKFURT — Despite a slump Friday in response to a wave of profit-taking, the Frankfurt stock exchange, enjoyed a vibrant week. The Commerzbank index gained 15 percent to finish at 2,009 compared with 1,952 the previous week.

The value of shares traded totaled 3.730 billion Deutsche marks, up from 2.578 billion the previous week.

Stronger domestic demand boosted automobiles, banks and chemical concerns, and analysts were left wondering if the week's performance heralded the beginning of a surge in values this fall as predicted by the country's economic institutes.

Shares of Puma, the sporting goods manufacturer, gained more than 1,000 DM Thursday but plunged 358 on Friday. Among major companies, CEAG rose 22.12 percent; BMW, 18.13 percent; Volkswagen, 16.52 percent, and Klöckner, 14.86 percent.

Hong Kong

HONG KONG — A cut in the prime lending rate of Hong Kong banks helped push the Hang Seng Index to another record high last week. The index rose 4.47 points during the five-day session to finish the week at 1,935.76, while the Hong Kong index closed 7.62 points higher at 1,212.12.

The decision by the Hong Kong Association of Banks to cut its prime rate by 1 percent to 6.5 percent helped lift property counters, which have a strong weighting on the index, dealers said.

They said the bullish run was likely to continue this week because overseas investors still consider Hong Kong a good buy in comparison with Tokyo and New York. Some brokers predicted the index would linger over the week between 1,900 points and Friday's high.

Among leading shares, Hutchison rose 50 cents and Cheung Kong 10 cents, while Swire Pacific "A" shares lost 30 cents. Daily turnover averaged 479.89 million Hong Kong dollars, substantially lower than the previous week's average of 661.13 million dollars.

London

LONDON — Shares rallied strongly last week, encouraged by a buoyant Wall Street, hopes that Western governments would coordinate a cut in interest rates next month and several good company results.

The Financial Times industrial share index recovered 53.6 of the 56 points it lost the previous week, closing Friday at 1,271 points. The volume of transactions rose from 103,367 to 104,787.

Gold and platinum mines and related issues provided an early feature following the sharp rise in bullion prices. The increase was prompted by fears that South Africa might retaliate against countries imposing sanctions by withholding supplies.

Composite insurances were also active as Commercial Union, General Accident and Royal Insurance reported results for the first half. Oils benefited from firmer oil prices as a result of the Gulf war and hopes that members of the Organization of Petroleum Exporting Countries would adhere to an agreement to limit production.

Milan

MILAN — Prices on the bourse gained ground last week in quiet trading before the holiday Friday. The Comit index closed Thursday at 765.09 points, up from the previous week's finish of 743.76.

Prices declined 0.6 percent Monday in one of the year's shortest sessions, but recovered over the next three days to end the week 3.2 percent higher. Turnover totaled 79.8 million shares at a value of 662 billion lire, compared with 112 million shares a week earlier.

Fiat shares improved after the group signed an agreement with the U.S. Defense Department. Fiat ordinary shares gained 3.3 percent, while SNIA, a Fiat arms-manufacturing division, gained 7.7 percent.

Paris

PARIS — The bourse defied the traditional midsummer doldrums last week as French shares improved their position with each day's trading.

The CAC index finished Thursday, the last day of trading ahead of the national holiday on Friday, at 385.3, up from 378.1 the previous Friday.

Many market watchers foresee a recovery in Paris if worldwide interest rates come down in September. The bourse was sustained last week by reports that the French retail price index rose 2 to 2.1 percent in the year ended July 31, the best result in 20 years, and that the gross domestic product rose 1.1 percent in the second quarter.

The CAC index was 0.6 percent stronger Monday and gained 1 percent Tuesday. The trend was irregular Wednesday as profit-taking emerged, but the index climbed 0.3 percent.

Trading was particularly active Thursday, although banks closed at noon. Club Méditerranée was the most active with a turnover of 122,325 shares.

Singapore

SINGAPORE — A speech by Prime Minister Lee Kuan Yew announcing that the Singapore economy had performed better than expected during the second quarter generated a bullish sentiment on the local stock market last week.

Mr. Lee's speech was followed by a forecast by the Trade and Industry Ministry of 1- to 2-percent growth this year in the gross domestic product, a measure of the value of the nation's goods and services excluding income from foreign investments. The forecast injected some confidence into the market, which was at its lowest ebb about four months ago.

The Straits Times index gained 40.17 points over the week to close at 803.85, the year's high. Dealers said they expected the index to pass the 820-point barrier soon, given the strong undertone of the market.

Turnover totaled 106.96 million units, compared with 83.03 million exchanged a week earlier. Brunei-based QAF Ltd. topped the list of active counters with a 5.4-million unit turnover and a gain of 17 cents to 1.17.

Zurich

ZURICH — Share prices rebounded last week on the stock exchange, with most issues closing stronger. Analysts were expecting the trend to continue this week.

The Crédit Suisse index finished at 519.4, up from 493 the previous week. The Société de Banque Suisse index hit 625.7 after the previous week's close of 596.2.

Investors are still awaiting a decision in Washington on another cut in the Federal Reserve's discount rate. Analysts said lower rates would have a positive effect on Wall Street and ultimately on the Zurich exchange.

Among Swiss issues, banks and insurance firms were well supported. Société de Banque Suisse gained 29 to end the week at 539 and Cie. de Reassurance bearer shares rose 1,500 to 17,100.

Finance companies were stronger, with Electrowatt gaining 270 to finish at 3,300, as were industrial issues, notably Sulzer nominal shares, which rose 225 to 2,825.

Agency Urges Japan to Cut Trade Gap

Compiled by Our Staff From Dispatches

TOKYO — Arguing that Japan's export-oriented economy stands at a "historic turning point," a government agency has called for sweeping adjustments to ease the nation's ballooning trade surplus.

An annual report released Friday by the Economic Planning Agency reflected the government's growing conviction that domestic consumption must be stimulated as a means of decreasing Japan's reliance on exports.

A shift away from traditional industries such as textiles and steel, which face competition from Asian neighbors, also would help reduce the trade surplus in the long run, the report said.

It noted that the surplus, which reached $55 billion in fiscal 1985, has continued to grow since despite a stronger yen.

The appreciation of the yen, which in principle would hurt Japanese exports, has in fact increased the value of the shipments in dollar terms, the report said.

It said the yen's rise was depressing export-oriented manufacturing industries while construction and other domestic sectors are recovering. The government must work to bolster that recovery, it said, noting, "Improvements in housing quality is an urgent problem."

As one way to stimulate domestic consumption, the report called for shortening the working hours of the average Japanese laborer.

(UPI, AFP, Reuters)

Treasury Bonds

Aug. 15

Maturity	Close Bid	Ask	Yield	Wk-ago yield
31.7.88	100 15/32	100 17/32	6.35	6.52
15.5.89	100 12/32	100 14/32	6.47	6.68
30.6.90	101 24/32	101 28/32	6.70	6.85
15.8.91	102 25/32	102 27/32	6.83	6.95
15.7.93	101 9/32	101 10/32	7.01	7.15
15.5.96	101 18/32	101 28/32	7.14	7.29
15.2.06	117 20/32	117 24/32	7.62	7.79
15.5.16	99 14/32	99 16/32	7.29	7.41

Source: Salomon Inc.

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SELECTED U.S.A./O.T.C. QUOTATIONS

	BID	ASK
Bitter Corp.	4	4⅝
GoodMark Foods	12⅝	12¾
MAG Holdings	3¼	3⅝
Modulaire	8¼	8½
Mr Gasket	6	6¼

WITH COMPLIMENTS OF CONTINENTAL AMERICAN

Japan Stockpiles Tons of Gold for Hirohito Coin

By Kenneth N. Gilpin
New York Times Service

NEW YORK — For much of this year, the Japanese government and its citizens have been buying billions of dollars worth of gold, purchases believed to have provided a prop of $40 or $50 an ounce to world gold prices.

The recent surge in prices has been fed by speculation that Tokyo intends to stockpile even more gold for use in minting a coin to commemorate the 60th anniversary of Emperor Hirohito's ascension to the throne. Earlier this year, the government bought around 200 tons of gold for the coin, which is expected to be heavily in demand in Japan when it goes on sale this fall.

"The Japanese are the players who are moving the price up," said John Lutley, managing director of the Gold Institute, a Washington-based international association of miners, refiners and fabricators of gold and gold products.

Last year Japanese imports of gold rose 7 percent from 1984, to 197 tons, according to figures from Consolidated Gold Fields PLC, the world's largest gold mining company.

Those figures are going to be dwarfed by what is happening this year, however. In 1986, motivated by economics and patriotism, Japan is buying with a vengeance. In time, those purchases seem certain to make Japan even more money.

"The gold price in terms of yen is at a record low," Mr. Lutley said. "That means that gold looks very attractive to individuals as well as larger institutions."

Despite the private buying, the vast bulk of the purchases so far this year have been by the Japanese government for its coin.

The front of the coin is done in an ancient design that depicts a pair of doves, symbolizing peace, and water, symbolizing Japan's rice-growing culture. The reverse side bears the imprint of the Imperial Crest of the Chrysanthemum.

To accommodate the initial minting of what was expected to be 10 million coins, industry analysts estimate that this spring, Tokyo bought from 200 to 220 tons of gold. But demand for the coin is expected to be enormous, and during the last month the government is rumored to have purchased an additional 100 tons.

"That purchase last spring is what got the market moving," said Jeffrey Nichols, president of American Precious Metals Advisors Inc., a New York-based consulting firm.

"The coins will probably be bought more for emotional and patriotic reasons, not as an investment," said one gold trader, who asked not to be identified. "Unlike Krugerrands or Canadian Maple Leafs, which tend to get sold when prices rise, it is unlikely that these coins will ever come back to the market. This is a permanent takeoff of supply."

The coins are a potential bonanza for the government. "This coin will be sold at a 150-percent premium of its gold content value," Mr. Nichols said. "That means if the government spent $2 billion to buy the gold, it will turn a profit of $3 billion on the coins."

Suit Challenges Makeup of Fed Panel

Reuters

WASHINGTON — A lawsuit challenging the makeup of the Federal Reserve Board's key policy-making council could seriously disrupt its operations, lawyers for the board say.

An adverse ruling in the suit against the Federal Open Market Committee may "have unsettling effects on financial markets" and "could seriously disrupt operation of the committee and the conduct of monetary policy," the lawyers said in a brief filed Friday in U.S. District Court here.

The suit, filed by Senator John Melcher, Democrat of Montana, is the latest in a string of legal challenges charging that the committee's makeup is unconstitutional. But Mr. Melcher's suit, unlike the others, has overcome procedural obstacles.

Legal maneuvers by the Fed and the Justice Department to block a judgment in the case have been overruled at both the trial court and appeals court levels. Attorneys involved in the case now predict a ruling at the U.S. District Court level within the next few weeks.

In its role of setting monetary policy, the committee has vast influence over the direction of the economy, the money supply, interest rates, inflation and the value of the dollar.

Mr. Melcher's lawsuit challenges the process by which five of the committee's 12 members are selected.

Seven of the panel's members are Federal Reserve Board governors appointed by the U.S. president and confirmed by the Senate. But the remaining five are chosen from among the 12 presidents of regional Fed banks, who are appointed by officials of those banks.

The chairman of the Federal Reserve Board, Paul A. Volcker, has considerable influence in their selection. The lack of public oversight in those appointments has prompted the suits against the procedure.

The lawsuit argues that the U.S. Constitution requires that all important policy-makers in the government be named by the president and confirmed by the Senate.

OECD Agency Alters Forecast Of Nuclear Output

Agence France-Presse

PARIS — The Chernobyl nuclear disaster has upset predictions that electricity production by nuclear power stations will double by the year 2000, the Organization for Economic Development and Cooperation said in a report released over the weekend.

The OECD's Nuclear Energy Agency had said in its 1985 report that 21 percent of electricity production in its member countries came from nuclear energy and predicted the figure could double by the year 2000.

However, the NEA now says that "the attitude of the public toward nuclear power remains a major problem," after the Chernobyl accident in April, when large areas of the Soviet Union and other countries were contaminated by radioactive fallout.

The NEA said that although it was "premature to predict the exact consequences of this accident," it was now impossible to give projections on the growth of nuclear power "with the same degree of certainty as at the end of 1985."

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NASDAQ National Market

OTC Consolidated trading for week ended Friday.

Sales in			100s	High	Low	Close	Net Ch'ge
A							
ABS	.40	3.3	77	19	17½	18	+ ½
ADC s			344	18¾	17½	18¾	+1½
AEC	.32	2.7	21	12½	11¾	12	— ¼
AEL			605	11½	10¾	11¼	+ ¾
AEP			269	12¾	12	12¾	+ ½
AIM Tel			56	4½	3¾	3¾	— ⅝
ALC Cm			974	5¼	4⅝	5	+ ¼
ARC Int			146	4¼	4	4	— ¼
ASK			5800	11½	10⅛	11¼	+1⅛
AST			7194	13½	10⅝	13⅝	+2⅝
AT&E			1499	15⅛	14½	14⅝	— ⅛
ATE			52	5½	5¼	5¼	— ¼
AW A			413	4⅞	4¼	4⅝	— ⅛
AamRt			942	19¾	18¼	19¾	+ ½
Abrams	.24	3.8	3	6¼	6⅛	6¼	— ⅛
AcaJoe			2632	4⅞	3¾	4⅜	+ ¼
Acadin			1509	2⅝	2⅜	2⅜	— ⅛
Aceirtn	†		136	11⅝	11⅛	11⅛	+ ⅜
AcuRay	.28	1.6	934	17½	16⅝	17¼	+ ¼
Aceto	.14r	.8	40	19	18⅝	18½	+ ¼
ACMAT			15	14½	13¾	13¾	
Actvsn			2328	1⅝	1⅝	1¾	+ ⅛
Actmed			403	26¾	25½	26¾	+1½
AdacLb			790	1⅝	1⅜	1½	
Adage			456	2⅞	2½	2⅝	
AdienW	.90	2.4	83	37¾	37	37	
Adia s			436	15¾	13¾	15	+2
Admac			1717	7	5⅝	6¾	+1
AdvCir			843	6⅝	5⅝	6	+ ¼
AdCpt			41	5⅝	5	5¼	— ⅛
AdvGen			349	5⅝	4⅝	4¾	— ⅛
AdvMag			580	8½	7⅜	8¼	+1⅛
AdvSem			261	8½	7½	7¾	
AdvTel			1591	7¼	6⅞	7½	+ ½
Aequitrn			1426	7¼	6⅞	7⅛	+ ⅛
Aegon	.36t	.8	333	46½	46	46¾	+1
AerSvc			716	2⅝	2⅜	2⅝	+ ⅛
AerSysl			377	1⅝	1⅝	1⅝	— ⅛
AfiBcp	.25t		19	12½	11⅛	12	+ ⅜
AfiBsh	.80	5.3	1215	15	14¼	15	+ ¾
AgncyR	†		1492	18	17	18	+ ½
Agnico g			4672	20¾	19⅝	19⅞	— ⅛
AldCp	.24	1.7	521	15¼	13¾	14	+ ¼
AlrCrg s			829	9⅝	7	7½	+ ½
AirMd	.10e	3.1	2822	3⅝	3	3⅛	— ⅛
AirWisc			2151	10⅝	10	10½	+ ½
AlaFdl			503	20½	19¼	20	+ ¾
AlskBc	.44e	8.6	32	5⅛	4¾	5⅛	+ ⅛
AlskMt	.25t	3.8	1527	6⅝	5⅝	6½	+1¼
AlskNt			16	6¼	6	6	— ⅛
Alaten	2.20	6.4	115	35	33	34½	
AlcoHlt			571	20⅞	20	20⅞	+ ¼
AlexBr	.05e	.2	1243	28⅝	26¾	27¾	+1
AlexB s	1.36	3.8	2406	37½	35½	36	— ¼
Algorex			67	3⅜	3⅜	3½	
Alicoln	.90	1.2	25	78	77	77	—2
AllAm			3048	14	13⅛	13½	+ ¼
AllegW	.24	1.1	1997	22⅞	20¼	22⅞	+2½
AllegBv	.40	3.3	2589	13	10¾	12¼	— ½
AlnOrg	.24o	.7	83	33½	32	33	— ½
AllFinl	.88	3.1	138	29¼	27½	28½	— ½
AlldBn	.84	4.9	5022	17⅝	15¾	17	+1½
AlldCa s	.72a	3.6	180	20¼	19¼	20¼	+ ¾
AlldRsh			302	6½	5⅞	6¼	+ ½
Allison			187	10	8⅝	10	+1
AlloyCpt			281	8½	7¾	7¾	— ⅜
AllyGar	.15e	1.3	235	11⅞	11½	11⅞	
AlpMic			746	4⅜	4	4¼	— ⅛
Altmcr			87	3½	3	3	— ⅜
Altos			4360	12	11¼	11½	+ ⅜
Altron			43	6½	6	6½	+ ¼
Amcast	.44	3.7	421	11⅞	11½	11½	+ ⅜
Amcole			501	4⅝	3⅝	4½	— ⅛
Amcor s	.09t	.5	457	18½	18	18⅝	+ ⅜
Amerbc			331	11½	10¼	11	+ ½
AFFMI			102	x3⅝	2⅝	2⅝	— ⅛
AFFMI2			593	84	12¼	13⅞	+1⅛
AFTxEx	.28e	1.3	842	21½	20	21	+1
AWAirl			2953	8⅝	7¾	8⅜	+ ⅛
ABuso			58	5	4¾	5	
ABkCt s	.40	3.0	112	20	18	20	+1
ABnkr	.50	3.5	2595	14⅛	13⅜	14⅛	+ ¾
ABrk g s			5909	13¾	11⅞	11⅞	— ¾
AmCapac			2033	14¾	12½	14	+ ¾
AmCarr			296	14½	14⅛	14⅛	+ ⅛
AmCity			146	32	30	32	+2
AConti	.10e	.9	169	11⅛	10⅛	10⅛	— ⅛
AmCrse			152	8⅞	6½	6½	—1
AmEcol			217	22	20¼	22	+1¼
AExpl			4	2⅝	2⅝	2⅝	
AFdSL	.60	3.3	376	18	16	18	+2⅛
AFlitrn	1.44	3.4	105	42½	41⅛	42	
AmFrst	†		163	4	3⅝	3¾	— ⅛
AFletch	1.00	1.9	796	51¾	50⅞	51⅝	+1⅛
AFurn	.28	1.9	1746	15	14⅞	15	
AGreet	.66	1.7	4737	39	37⅜	38⅝	+ ¾
AmHlth			2157	17	15⅝	16⅝	+1⅛
AHSld			821	7⅛	6⅛	6⅜	— ⅛
AmInLt	.40	3.0	1203	13⅞	12⅞	13⅛	+ ¼
AIndF	1.72	6.5	73	17¼	16⅞	17⅛	+ ⅛
AIM 84	1.65e	8.4	324	20	19⅝	19¾	— ⅛
AIM 85			133	18½	17⅝	17⅝	
AmIntg			1709	21	19⅜	19¾	— ½
AInvLf s	.20	2.5	411	8	7⅝	7⅝	+ ½
ALand	†		2929	7¼	7	7¼	— ¼
ALnd wt			23	1⅜	1⅜	1⅜	— ⅛
AmLst s			87	15¾	15¼	15⅝	— ⅛
AmLck	.28e	2.5	11	11¼	11⅛	11⅛	
AMagnt			578	4¼	3⅝	4½	+ ½
AMS s			235	18	16¾	17	— ½
AMdCtr			4869	8	7⅝	7⅝	+1⅛
AMdSv s	.14	.8	205	17½	17⅛	17¼	+ ¼
AMidl			2133	½	⅝	⅝	
ANtIns	1.20	3.1	1230	39	36⅞	38¾	+1¾
ANucIC			154	2⅝	2	2⅛	— ⅛
AmNucl			761	2½	2	2⅜	+ ⅛
APhyG			252	3¾	3	3	
AmPion			196	9½	8⅞	9½	+ ¼
AmRest			4	2⅞	2½	2⅝	— ¼
ASavNY			6745	17⅝	16⅝	17⅜	+1⅛
ASNY pf			631	22¾	21⅝	22¼	+ ¼
ASavWA			341	17	15¾	16¼	+ ¼
AmSec	1.02	2.9	1890	34¾	32¾	34⅞	+1⅛
AmShrd			144	2½	1⅛	1⅛	— ⅛
AmSoft			2034	12⅝	11⅝	12⅞	+ ¾
ASolar			889	1⅝	1⅜	1⅝	
ASurg			1759	⅞	⅝	¾	+ ⅛
ATvCm			63051	19⅞	18⅞	19¼	+ ¼
AmTrav			134	7⅝	7⅛	7¼	— ⅛
AWstCp	†		229	10½	9½	9½	— ½
AWood			2746	13¾	11½	13½	+1½
Amritr	1.76	4.0	2980	44½	43⅞	44⅞	+1
Amrwst			41	17	16¼	17	
Amertk			199	2⅝	2⅜	2⅜	— ⅛
Amgen			4108	25⅝	20⅝	24⅞	+3½
Amistar			109	6½	5½	6⅛	+ ⅜
AmskB s	.56	2.3	1171	24⅞	23⅝	24⅝	+ ¼
Amoskg	1.20e	1.5	14	82	75	80	
Ampad	.40	2.7	453	15⅜	13¾	14⅜	+1
Amwst	.12	1.2	134	11¼	10¼	10¼	— ½
Anadite			54	7¼	7⅛	7⅛	
Anlogic			4048	12⅝	10⅞	12½	+1½
AnalyTc	.10	1.0	519	10½	9⅝	10¼	+ ¾
Analyl			612	4⅞	4⅝	4⅝	— ⅛
Anaren			308	11⅛	11⅛	11½	
AnchGl			646	26½	25¼	25¾	
AndrGr			11	8	8	8	
Andovr			648	18½	10	10½	+ ¼
AndvTg			438	12	11	11	—1½
Andrew			3778	18½	17	17¼	— ⅛
Andros			342	9¼	8½	8⅝	— ½
Animed			743	5⅛	4⅝	5	— ¼
Anitec	.40	1.5	1237	26⅞	26	26¼	+ ¼
Apogee	.14	.8	875	18⅝	17⅞	17⅞	— ⅛
ApoloC			13028	12⅜	11⅝	12¼	+ ½
AppliBk			743	28⅝	27½	28¼	+ ⅜
AppleC			55909	37	31¾	35⅝	+4⅝
ApldBio			5642	45	38½	44¼	+6

(Continued on next page)

Chicago Exchange Options

Figures as of close of trading Friday.

American Exchange Options

Figures as of close of trading Friday.

Total Volume: 295,602
Open Interest 3,472,244
r—Not traded. s—None offered. o—Old.

UAL-Frontier Pilot Talks Collapse

Compiled by Our Staff From Dispatches

CHICAGO — Contract talks between United Airlines and the union representing Frontier Airline's pilots have collapsed, threatening the proposed sale of Frontier to United.

The breakdown also increases the possibility that People Express Inc., which owns Frontier, will close down the airline in an effort to solve its own serious financial difficulties, according to Wall Street analysts.

United agreed last month to buy Frontier from People Express for $146 million. But United wanted a contract with the Air Lines Pilots Association before negotiating with other unions and completing the sale.

UAL Inc., which owns United, said talks with the pilots broke off Friday. They had resumed on Thursday after a two-week hiatus.

The chief sticking point in negotiations has been the length of time it would take the salaries of Frontier pilots to catch up with those of their United counterparts. United captains are paid $115,000 a year, while Frontier captains make about $68,000 annually — a 70-percent difference.

United said its latest offer would give Frontier pilots raises each year for five years until their salaries matched that of United pilots.

The union said it rejected that proposal. It wants parity within 18 months.

Matt Gonring, a United spokesman, said that the lack of agreement did not mean that the planned purchase was off. He said that United had delayed applying with the U.S. Department of Transportation for permission to buy Frontier.

United maintains Frontier is losing from $7 million to $10 million a year, and the takeover is a way of preserving the jobs of Frontier workers.

Industry analysts said that People Express cannot long afford that kind of drain. It paid an indicated $300 million for Frontier in November 1983, and that purchase contributed to the huge debt load that is part of its current problems.

The fifth-largest U.S. carrier, People Express reported a record loss of $74.5 million in the second quarter of this year.

"The critical issue in these United-pilot negotiations is that if the deal doesn't go through, how much longer is Frontier going to fly?" said David Sylvester at Montgomery Securities. "I think we're talking a very short time."

Robert Joedicke at Shearson Lehman Brothers Inc., noting that United has already paid People Express almost $50 million for airport slots, gates and maintenance facilities at Frontier's main base in Denver, said that People express badly needed the other $96 million of the sale price.

He also said it was unlikely that another carrier would now bid for Frontier.

"Another carrier in all likelihood would have the same pilots union," Mr. Joedicke said. "Why would ALPA change its stance with another carrier?"

(Reuters, UPI)

Court Allows Reliance to Acquire Blair

By James Sterngold
New York Times Service

NEW YORK — The four-month-old battle for control of John Blair & Co. ended when a federal appeals court decided in favor of Reliance Capital Group L.P., removing the final obstacle to its takeover of the media group.

The court's ruling Friday ended the hostile bid for Blair, which was launched by Macfadden Holdings Inc., another U.S. media group, in mid-April. Reliance is an insurance and investment group controlled by the entrepreneur Saul P. Steinberg.

The value of the total transaction is estimated at about $340 million. Reliance will pay $31 in cash for seven million of Blair's 11.5 million shares and is offering a package of stock and debentures for the remaining shares.

Blair owns five television and eight radio stations across the country and is the largest independent U.S. broker of broadcast advertising time.

The appeals court's decision reversed a lower court ruling. Macfadden conceded defeat, but it is expected to earn a net profit of about $2 million by selling to Reliance the Blair shares it owns.

Among the holdings of Reliance Capital are KVEA-TV in Los Angeles, a large Spanish-language station, and a 42-percent stake in Days Inn Corp.

Its revenues last year totaled $631 million, and it posted a $29.1-million loss that the company blamed on the poor performance of its advertising distribution subsidiary, Advo System Inc.

Triton, Worldwide Agree on Energy Merger

New York Times Service

DALLAS — Triton Energy Corp. and Worldwide Energy Corp. have agreed to merge in a transaction worth about $90 million, the companies announced.

The agreement calls for the exchange of $30 million worth of Triton common stock for Worldwide's preferred and common shares and the assumption of $60 million of Worldwide's long-term debt, the companies said Friday.

A spokesman for Triton said that the merger, which is essentially an acquisition of Worldwide, provides Triton with 25 million barrels of oil reserves in North America at a price of less than $4 a barrel.

Triton, based in Dallas, has oil and gas exploration and production activities in the Paris Basin in France, the North Sea, Africa, Australia, Colombia, Thailand and Nepal.

In the nine months ended Feb. 28, Triton lost $11 million, or $1.45 a share, after an $18-million write-down in the value of assets. In the year ended May 31, the company estimated revenue at $85 million.

Worldwide, based in Denver, is primarily involved in the transmission of natural gas and the exploration and production of oil and gas. The company reported a loss of $17 million, or $1.45 a share, on revenue of $68 million last year after a $19-million write-down.

The transaction, which could be completed by November, calls for each common share of Worldwide to be exchanged for one-tenth of a Triton common share, and each Worldwide preferred share to be traded for 0.45 common shares of Triton.

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

(Continued)

Sales in 100s High Low Close Net Ch'ge

(Continued on next page)

Mutual Funds

Figures as of close of trading Friday

NEW YORK (AP) — The following quotations, supplied by the National Association of Securities Dealers, Inc., are the prices at which these securities could have been sold (Net Asset Value) or bought (value plus sales charge) Friday.

NL—No initial sales load. f—Previous day's quote. r—Redemption charge may apply. x—Ex dividend.

Last Week's AMEX

AMEX Most Actives

Vol.		High	Low	Last	Chge.
Wickes	30149	5⅝	5⅛	5¼	—¼
WangB	22695	14	13½	13⅞	+¼
BAT	17539	5⅝	5⅛	5⅛	—⅛
EchoB g	16664	21¼	17¾	18¼	—1½
DomeP	15327	1⅞	1⅜	1½	
Amdahl	11679	18¼	17⅛	17⅞	+⅝
Seamn n	11578	9	7¾	8⅝	
LorTel n	10996	26½	23¾	25⅜	+1⅜
IntThr	7191	3	2⅝	2¾	
HrnHar	6224	13⅛	11¾	12½	—1⅛
FordL s	5559	20½	18⅜	20⅛	+1¼
TexAir	5484	31⅜	27¾	31	+3⅝
AM Intl	5482	6⅝	6	6¼	
TIE	5414	6⅝	6	6⅛	
HmeG n	5365	23⅞	22	23	
Spelng n	5050	14⅛	14	14	+1
Alza s	4962	24⅝	21¾	23½	+2⅛
PhilLD	4722	9¾	8⅛	9⅛	+1⅜
Delmed	4709	1⅛	1	1⅛	
Asmr g	4212	6⅝	6¼	6⅜	
JetAm	4165	3¼	2⅞	3¼	+⅜
AmRoyl	3852	5⅛	4⅞	4⅞	
GlfCda n	3837	10⅝	10⅛	10⅝	+½
ImpOil g	3833	30⅜	29	29⅝	+1½
WDigitl	3806	13⅛	12¼	12⅜	—⅛

AMEX Sales

	Sales Vol.
Total for week	49,790,000
Week ago	53,840,000
Year ago	37,410,000
Jan 1 to date	1,962,650,000
1985 to date	1,288,540,000
AMERICAN BONDS n	
Total for week	12,920,000
Year ago	10,532,000

AMEX Diaries

	This Wk	Last Wk
Advanced	588	375
Declined	274	482
Unchanged	141	138
Total issues	923	915
New Highs	47	25
New Lows	31	68

Last Week's NYSE

NYSE Most Actives

Vol.		High	Low	Last	Chge.
BigThr	89746	32	23⅝	28¼	+4½
IBM	73853	135⅜	129⅛	133⅝	+3⅛
AT&T	66977	24½	23	23⅞	—⅜
Mobil	61871	35¾	32⅛	35⅛	+2¾
NiaMP	61171	24	22⅝	24	+1⅛
MidSUt	58110	14⅛	12⅝	13⅝	+⅞
Goodyr	56309	33	31¼	32⅝	+2
ICN	52235	31	18¼	30¼	+12⅛
OwenC	52050	79⅝	75⅛	78⅝	+3⅜
FordM s	51457	60½	55	59	+4½
Exxon	49355	65⅛	62⅝	65¼	+2⅝
Chrys s	47093	40⅜	37⅛	39⅞	+2½
WnAirL	43954	11⅛	8⅝	11	+1½
HamPg	43029	64¼	61	64⅝	+5⅛
NL Ind pf	41867	11⅝	10¼	11⅛	—⅜
BnkAm	41679	13⅛	12	13	—¾
AtlRich	41618	57⅞	51⅝	56⅝	+5⅜
GMot	40326	74⅛	70⅝	73⅛	+1⅛
CmwE	38786	34	32⅜	33¼	+1⅜
BaxtTr	38452	19⅛	18⅛	18⅛	—⅛
MerLyn	38227	37⅝	35	37	+2⅜
Digital s	37981	98⅛	93⅛	96⅞	+3⅛
AmExp	37054	63¼	60⅜	62⅞	+2⅛
Anheus	37052	57⅛	54¼	57⅛	+2½
Chevrn	36771	43	40	43	+3⅛

NYSE Sales

	Sales Vol.
Total for week	660,970,000
Week ago	639,330,000
Year ago	417,430,000
Two years ago	416,420,000
Jan 1 to date	22,087,417,953
1985 to date	17,028,180,000
1984 to date	14,842,030,000

NYSE Diaries

	This Wk	Last Wk
Advanced	1637	1063
Declined	385	884
Unchanged	154	208
Total issues	2176	2155
New Highs	233	96
New Lows	78	146

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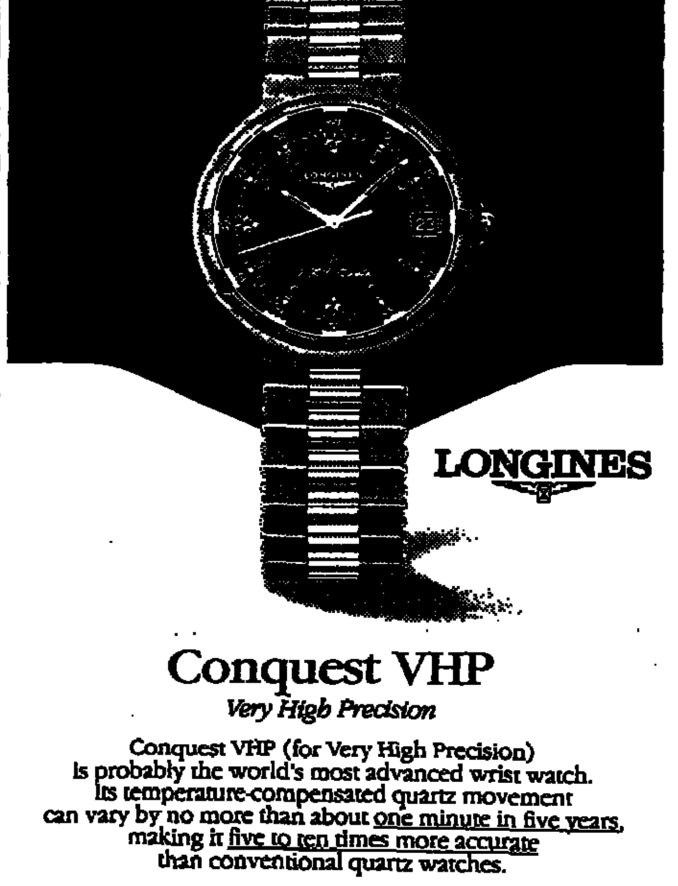
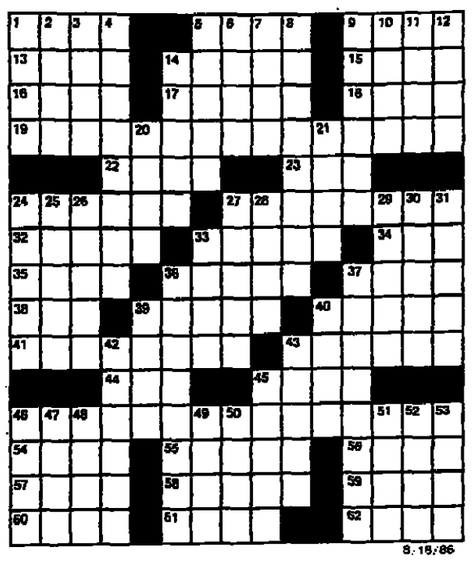


LONGINES

Conquest VHP

Very High Precision

Conquest VHP (for Very High Precision) is probably the world's most advanced wrist watch. Its temperature-compensated quartz movement can vary by no more than about one minute in five years, making it five to ten times more accurate than conventional quartz watches.



8/18/86

ACROSS

1 Ponderosa family member
5 Thick slice of bread
9 Peduncle
13 A Johnson
14 Jostle
15 Kind of shirt
16 Guide
17 Verb in a biblical admonition
18 A Guthrie
19 Assail *suddenly*
22 Shredded
23 Greek goddess of dawn
24 Wis. city
27 Equine pest
32 —— drab
33 Printing mark
34 Corded fabric
35 Sleazy bar
36 Founded
37 German coal basin
38 Unusual shoe width
39 Fabrics
40 Vivid
41 Hurriedly
43 Something to tip
44 An Onassis nickname
45 Hemplike fiber
46 Act forthrightly
54 Iranian coin
55 Prophetic card
56 One of almost 12,000 N.Y.C. vehicles
57 Concerning
58 All possible
59 Lycian poet
60 Do a sitter's job
61 Galley mark
62 Cornmeal bread

DOWN

1 *Word with* shell or sole
2 Soviet city
3 Tarry
4 Tending to calm
5 Sparkled
6 *In tennis,* nothing
7 City sts.
8 Improved
9 Thinly populated
10 Ring *contestant in* Madrid
11 Fitzgerald or Raines
12 Debatable
14 Tally
20 Franchot of films
21 "A ——, of golden daffodils": Wordsworth
24 Western exhibition
25 Strange
26 Bush cat
27 Precipitate
28 Bauxite and galena
29 Easily broken
30 Desert
31 *Belgian town,* to a Frenchman
33 Summon
36 Was becoming to
37 Describing some desks
39 Bouquet enhancer
40 Skin blemish
42 Approved enthusiastically
43 Fatlike
45 Put away
46 Ingredient of glass
47 Occupation
48 Story
49 Contain
50 Diminutive suffix
51 Nimbus
52 Draft animals
53 Choice

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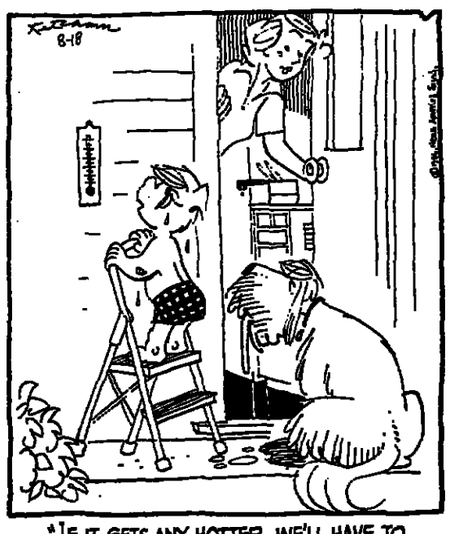
DENNIS THE MENACE



JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

NOMEW

DOIMI

THOTEG

STOJEL

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: ( ) IN ( )

(Answers tomorrow)

Friday's Jumbles: MOURN UTTER LAYOFF POWDER
Answer: What yeast is — FLOUR POWER

SPORTS

SPORTS BRIEFS

Bulgarian Sets World Hurdles Mark Twice

COLOGNE (AFP) — Bulgarian Jordanka Donkova broke the women's world 100-meter hurdles record twice within an hour at a track meet here Sunday.

In the final, she clocked 12.29 seconds to better the 12.34 she had run earlier during the heats phase of the competition. Both times improved on the 12.36 set by Poland's Grazyna Rabsztyn in June, 1980 — and matched by Donkova at last week's Bulgarian national championships.

E. German Swimmers Break Relay Record

MADRID — An East German team broke the world record for the women's 4-by-200 meter freestyle relay by clocking seven minutes, 59.33 seconds to win the gold medal in the event at the world swimming championships here Sunday.

Manuela Stellmach, Astrid Strauss, Nadja Bergknecht and Heike Friedrich lowered the standard of 8:02.27, set by another East German squad in Rome three years ago.

Prost Tightens Race for Formula One Title

ZELTWEG, Austria (AFP) — Frenchman Alain Prost tightened the 1986 world Formula One driving championship race by winning his third Austrian Grand Prix here Sunday. Prost moved to within two points of the top of the standings after all of his primary rivals failed to finish.

The the reigning world champion's 24th victory, equaling the career total of Juan-Manuel Fangio and three shy of Briton Jackie Stewart's record of 27, came with only four races remaining in the season.

Prost hadn't won since this year's Monaco Grand Prix, but he again showed his affinity for the Osterreichring circuit, where he won last year and in 1983.

Twitty Leads Way Into Colorado Golf Final

CASTLE ROCK, Colorado (Combined Dispatches) — Howard Twitty, with 11 points under the modified Stableford scoring system, led the way into Sunday's final round of The International golf tournament, in which 12 players were to compete for prizes from $180,000 down to $28,000. Also among the finalists were Tom Kite, Bernhard Langer and Bruce Lietzke.

Jack Nicklaus, Tom Watson and Bob Tway were among those eliminated Saturday. Each of the finalists had a minimum of 5 points under the scoring system, in which medal play doesn't count; 5 points are awarded for an eagle, 2 for birdie, 0 for par, -1 for bogey and -3 for double bogey or worse. *(AP, UPI)*

Zurbriggen Takes Argentine Cup Downhill

LAS LENAS, Argentina (UPI) — Pirmin Zurbriggen of Switzerland won Saturday's second downhill race of the men's World Cup skiing season.

Zurbriggen covered the 2,920-yard (2,664-meter) Mercury course in one minute, 38.03 seconds. Leonhard Stock of Austria was second in 1:38.26 while Switzerland's Peter Müller and Franz Heinzer tied for third in 1:38.67.

VANTAGE POINT/ George Vecsey

The Numbers Racket in the Bronx

New York Times Service

NEW YORK — There is a grave shortage in the Bronx these days, something no hotline or rock concert or collection can alleviate. The current ownership has been retiring numbers at such a rapid clip that the New York Yankees are likely to run out of digits before the end of the decade.

The trend started with Lou Gehrig's No. 4 and continued with Babe Ruth's No. 3 and moved on to Joe DiMaggio's No. 5 and Mickey Mantle's No. 7. That just about took care of the four greatest Yankee players, the so-called immortals.

Pete Sheehy, the venerable clubhouse attendant who had provided bicarbonate for Ruth and coffee for DiMaggio, had his way of honoring other quintessential Yankees: When Whitey Ford, Yogi Berra, Bobby Richardson and Frank Crosetti left for one reason or another, Pete squirreled away their uniforms until he received direct orders from on high.

Pete's stewardship of tradition was rewarded when the Yankees erected a plaque with his likeness on the clubhouse door, long before Pete passed away last summer.

The pantheon of Yankee Stadium continues to grow, however, for a mixture of reasons, including sentiment, baseball wisdom and selling tickets. The retired numbers now include the No. 8 of Berra and Bill Dickey, No. 9 of Roger Maris, No. 10 of Phil Rizzuto, No. 15 of Thurman Munson, No. 16 of Ford, No. 32 of Elston Howard, No. 37 of Casey Stengel — and, most recently, the No. 1 of Billy Martin.

No quarrel with the first 10 selections, but the enshrinement of Rizzuto last summer and of Martin last week, both current Yankee broadcasters, gives the impression of pushing tradition *to cover up the chaos of their daily operation.*

The retiring of numbers creates problems at old-timer days. Tony Kubek, who played nine seasons for the Yankees and is now a broadcaster for NBC and the Toronto Blue Jays, recently discovered his former uniform (No. 10) was unavailable to him because only Rizzuto can wear that number.

As managers come and go on an annual basis, as players arrive and depart by the carload, the Yankee scorecard becomes top-heavy with the past.

In their rush to retire numbers, the Yankees are chasing the champions of the art, the Boston Celtics, who have retired 15 of them. But both the Celtics and the Yankees are headed for the predicament of a Big Ten football squad at home games — so many players in uniform that some offensive and defensive players have to share a number.

The pantheon of Yankee Stadium continues to grow for a mixture of reasons, including sentiment, baseball wisdom and selling tickets.

If George Steinbrenner can honor Martin — whom he has dismissed four times and who might be back some day kicking dirt on umpires and snarling at the world in general — the Yankees owner must certainly be on the prowl for more numbers to retire.

"I think George wants to retire all numbers," Kubek mused the other day. "He wants to have his players wear letters, a first for baseball. He could have a diphthong on first base, a vowel on second and, who knows, maybe an umlaut on third. He could have an A team, a B team, a DH on his designated hitter each day, and a BP on his bullpen pitcher. He might retire Don Mattingly's number next year."

Since the Yankees originated uniform numbers, many of their early players have already seen their numbers pass on to later heroes, but there are still plenty of numbers to go:

●No. 2. Frank Crosetti. Crow. Collected more Yankee World Series checks (23) than anybody — even Berra (19) — as shortstop and third-base coach. Expert first at being hit by pitch and later as guardian of the ball bag.

●No. 6. Roy White. Quiet man who played 15 seasons with Yankees and three with Yomiuri Giants. Teammate of Mickey Mantle and Sadaharu Oh.

●No. 14. Bill Skowron and Lou Piniella — Moose and Lou. Reliable right-handed hitters, popular with fans, who originated the "oooo" cheer now heard at many ballparks.

●No. 20. Horace Clarke. Better than his critics realized, second baseman gave a name to the decade following the 1964 pennant: The Horace Clarke Years.

●No. 22. Allie Reynolds. Part American Indian, he pitched two no-hitters in a single season and was a pioneer in the players association.

●No. 25. Joe Pepitone. Brooklyn native who broke more hearts of owners, managers, teammates and fans than any other Yankee. First player to admit use of wig and hair dryer in clubhouse.

●No. 30. Mel Stottlemyre. Durable pitcher held franchise together, 1964-74.

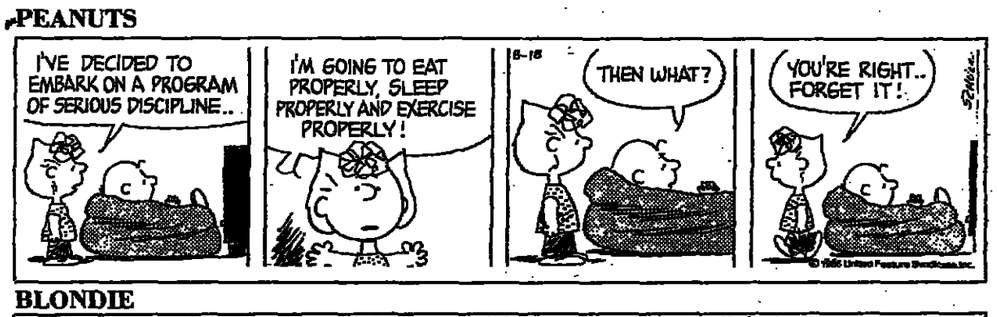
●No. 34. Phil Linz. Utility infielder and original owner of Mister Laff's restaurant, became the Gavril Princip of the 1964 season by playing harmonica in back of bus, touching off only recorded temper outburst in Berra's managerial career.

●No. 56. Jim Bouton. Bulldog. Won 39 games in pennant seasons of 1963-64 and two more in 1964 World Series. Made baseball more popular with book "Ball Four" written with Leonard Shecter, showing human side of players. Best former Yankee never invited to old-timers' day at Yankee Stadium.

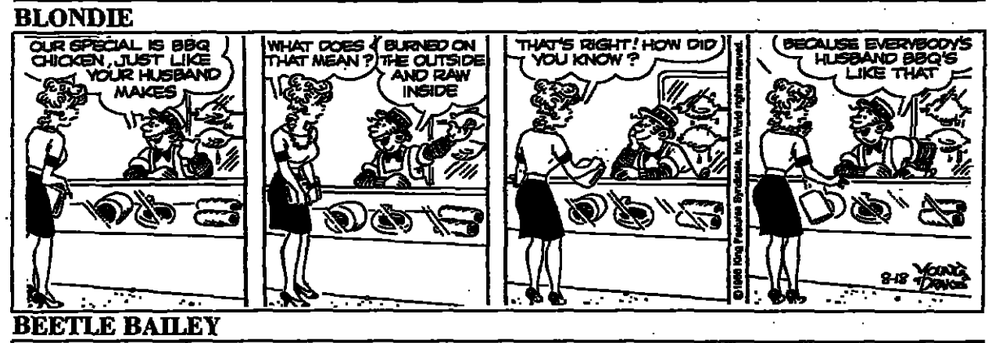
Come to think of it, so many former Yankees regard Bouton as a pariah — imagine writing that Mickey Mantle took a drink now and then — that they would boycott any ceremony involving him.

As Steinbrenner plunges ahead with his five-year plan to immortalize everybody, Jim Bouton's No. 56 may be the last double-digit number to survive. He always was one of a kind.

PEANUTS



BLONDIE



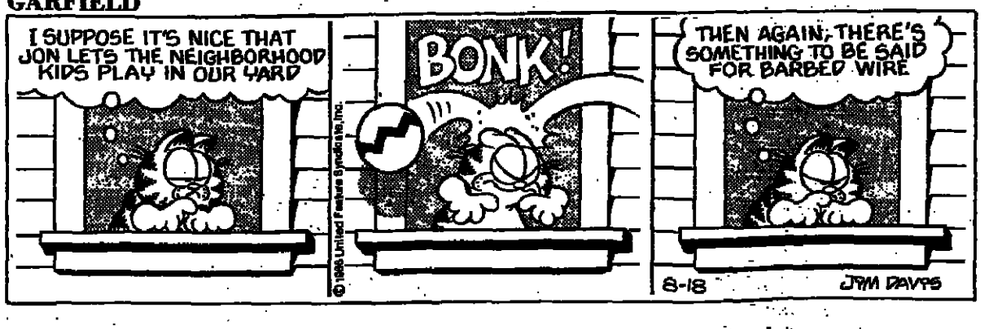
BEETLE BAILEY

ANDY CAPP

WIZARD of ID

REX MORGAN

GARFIELD



BOOKS

THE BLOOD OF KINGS: Dynasty and Ritual in Maya Art

By Linda Schele and Mary Ellen Miller. Illustrated. 335 pages. Cloth, $45; paper, $28.
George Braziller-Kimbell Art Museum. 1 Park Avenue, New York, N. Y. 10016

Reviewed by Michiko Kakutani

NOW that they've been deciphered, the beautiful, cold stone walls of the Mayan ruins offer up some bloody and grotesque stories: a woman threads a rope of thorns through her tongue; a captured soldier is methodically scalped and disemboweled.

For a long time, though, observers insisted that these images were either abstract sketches of gods engaged in mysterious rituals or decorative doodling produced by fevered artistic minds. The images, after all, are stylized ones — rendered in voluptuously abstract lines and ornate curlicues — and for years, they resisted interpretation.

Until recently, in fact, scholars have portrayed the Mayas as foils to the violent Aztecs. They have been portrayed as a peaceful people, devoted to the austere arts of star watching and mathematics; their ancient civilization, which flourished in the jungles of Mexico and Central America, as a sort of blissful Camelot; their art, as decorous homage to remote gods or "calendar priests." It was suggested that only with the contaminating influence of the Mexicans during the 10th and 11th centuries were bloodier and more warlike habits introduced.

As the authors of this absorbing new study point out, such a Utopian view of the Mayas "spelled out cultural behavior known from no other civilization on earth," though, "like compelling science fiction," it was long accepted. What they propose to do in "The Blood of Kings" is to lay before the reader a graphic new portrait of the Mayas — a portrait that is often shocking in its brutality but also more human than the coolly idealized one that existed in the past.

No doubt that earlier view of the Mayas remained cemented in place by researchers' simple inability to decipher the Mayan hieroglyphics.

The 1960s brought rapid advances in the decoding of the symbols and with those translations came new revelations about Mayan society and art. It was discovered, Linda Schele and Mary Ellen Miller write, that the Mayas were "regionally oriented, dynastic and warlike," that their artistic images were not "abstract representations of calendar priests but glorifications of individual kings," that blood had been the "mortar of ancient Maya life."

As they portray it, being a Mayan king was a fairly fearsome lot. It meant power and privilege, of course, and all the amenities that the advanced Mayan society could provide: precious jewelry, beautifully woven textiles, elaborate garments, and huge palatial compounds. But as the chief intermediary between the gods and the common man, the king (and in some cases, his family) was also required to engage in frequent bouts of ritual bloodletting.

Any event of political or religious importance — the dedication of a building, the planting of crops, the birth of a child — required a royal donation of blood. Lacerations of the tongue, ear lobes and genitals induced hallucinatory visions, which were regarded as a means of communication with the spirit world, and they also produced offerings of blood that would help fertilize and renew the earth. In the Mayan view of things, human beings had been created to sustain and nourish the gods through sacrifice, and, if the proper rituals were neglected, disorder in the natural and cosmic order of things would result.

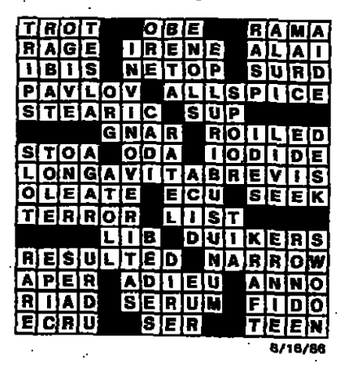
In many cases, the sacrifice of war captives — taken in the aggressive, hand-to-hand combat waged between rival city-states — appears to have been required as well. And for these unfortunate victims, death — not mere mutilation — was the inevitable result. Some captives were forced to play a kind of demonic soccer game, in which the heads of the losers were used as balls. Others were tied into human balls and bounced down the steps of a pyramid. Still others were tortured for days or weeks — fingernails and teeth were routinely pulled out — before being disemboweled and set on fire.

If the constant specter of war and bloody death cast a certain pall over the Mayas' daily life, their belief system held out equally scant assurance of harmony in the hereafter. After death, they believed, the soul entered Xibalba, a watery hell populated by loathsome, smelly devils. Only after facing various trials and confrontations with these "Lords of Death" could one's soul exit Xibalba and be reborn, into eternal life, as an ancestor spirit, capable of assisting and guiding descendants.

Although many questions remain about the Mayas — for instance, why the civilization collapsed after nearly a thousand years — the authors do a thorough job of summarizing and assessing recent scholarship on the subject. Their sumptuously illustrated book serves as the catalogue to a recent exhibition of Mayan art (currently at the Kimbell Art Museum in Fort Worth, Texas) and includes highly detailed discussions of individual artifacts. At the same time, "The Blood of Kings" stands on its own as an elegantly written narrative history of the Mayas — a history that, in integrating politics, religion, myth and art — gives us a disturbing and comprehensive portrait of a people and their world.

Michiko Kakutani is on the staff of The New York Times.

Solution to Friday's Puzzle



8/16/86

BRIDGE

By Alan Truscott

ON the great majority of bridge deals, an experienced player can judge at a glance the most desirable contract with a given pair of partnership hands. But there are exceptions, and the diagramed deal is one of them. Should North-South play six hearts or seven hearts? The answer is not obvious.

The North-South pair, for the winners, reached six hearts by the sequence shown and succeeded easily. In the replay, their opponents reached seven hearts and were defeated. It took two ruffs to establish the diamonds, so it was not possible to maneuver an eventual club ruff after taking club discards on diamond winners.

But who was on target theoretically? Seven hearts will always fail if the four missing trumps are all in one hand, or if the diamonds split worse than 4-2. South needs an even break in one red suit, plus a moderate break in the other. It takes some knowledge of bridge mathematics to work out the chances: the answer proves to be about 52 percent.

That expectation is not quite good enough to justify a grand slam effort at international match point scoring. The break-even point is 57 percent vulnerable, or 56 percent nonvulnerable, so the winners who stopped in six hearts were right, by a slender margin.

NORTH (D)
♠ 5
♡ A Q 10 2
◇ A K 7 6 4 2
♣ Q 8

WEST
♠ K Q 10 3
♡ 9 5 3
◇ Q 3
♣ K 10 7 4

EAST
♠ J 8 7 2
♡ 8
◇ J 9 8 5
♣ J 6 5 2

SOUTH
♠ A 8 6 4
♡ K J 7 6 4
◇ 10
♣ A 6 5

Both sides were vulnerable. The bidding:

North	East	South	West
1 ◇	Pass	1 ♡	Pass
4 ♡	Pass	4 N.T.	Pass
5 ♣	Pass	5 N.T.	Pass
6 ◇	Pass	6 ♡	Pass
Pass	Pass		

West led the spade king.

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Algarve	24	75	17	63	fr
Amsterdam	18	64	14	57	cl
Athens	34	93	22	72	fr
Barcelona	30	86	20	68	fr
Belgrade	33	91	16	61	fr
Berlin	22	72	15	59	o
Brussels	20	68	12	54	cl
Bucharest	31	88	14	57	cl
Budapest	30	86	17	63	cl
Copenhagen	18	64	12	54	cl
Costa Del Sol	26	79	20	68	fr
Dublin	17	63	13	55	cl
Edinburgh	17	63	10	50	cl
Florence	33	91	19	66	fr
Frankfurt	25	77	9	48	o
Geneva	32	90	16	61	fr
Helsinki	14	57	11	52	r
Istanbul	30	86	22	72	fr
Las Palmas	29	84	21	70	o
Lisbon	23	73	19	66	r
London	21	70	12	54	o
Madrid	31	88	16	61	fr
Milan	32	90	21	70	fr
Moscow	15	59	4	39	sh
Munich	24	75	16	61	cl
Nice	29	84	21	70	fr
Oslo	18	64	10	50	cl
Paris	26	79	15	59	o
Prague	24	75	14	57	sh
Reykjavik	12	54	9	48	sh
Rome	31	88	17	63	fr
Stockholm	17	63	11	52	sh
Strasbourg	26	79	16	61	o
Venice	30	86	19	66	fr
Vienna	33	91	19	66	fr
Warsaw	26	79	12	54	o
Zurich	28	79	15	59	fr

MIDDLE EAST					
Ankara	28	82	17	63	cl
Beirut	31	88	—	—	cl
Damascus	—	—	18	64	r
Jerusalem	30	86	19	66	fr
Tel Aviv	32	90	23	73	fr

OCEANIA					
Auckland	14	57	3	38	fr
Sydney	20	68	11	52	cl

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	32	90	24	75	o
Beijing	30	86	22	72	fr
Hong Kong	30	86	28	79	fr
Manila	29	84	23	77	fr
New Delhi	35	95	26	79	cl
Seoul	26	79	22	72	r
Shanghai	33	91	25	77	fr
Singapore	32	90	25	77	fr
Tokyo	30	86	25	77	r

AFRICA					
Algiers	34	97	22	72	fr
Cairo	36	97	20	68	fr
Cape Town	—	—	5	41	—
Casablanca	28	79	20	68	—
Harare	—	—	7	45	—
Lagos	26	79	22	72	fr
Nairobi	—	—	13	55	—
Tunis	35	95	19	66	fr

LATIN AMERICA					
Buenos Aires	—	—	4	39	—
Caracas	—	—	—	—	—
Lima	—	—	—	—	—
Mexico City	—	—	—	—	—
Rio de Janeiro	28	82	21	70	fr

NORTH AMERICA					
Anchorage	16	61	9	48	cl
Atlanta	27	81	22	72	fr
Boston	27	81	21	70	fr
Chicago	31	88	19	66	fr
Denver	32	90	15	59	fr
Detroit	31	88	17	63	fr
Honolulu	32	90	25	77	fr
Houston	35	95	24	75	fr
Los Angeles	30	86	17	63	fr
Miami	33	91	24	75	fr
Minneapolis	27	81	14	57	fr
Montreal	24	75	21	70	fr
Nassau	33	91	23	73	fr
New York	29	84	21	70	fr
San Francisco	21	70	14	57	fr
Seattle	24	75	13	55	fr
Toronto	30	86	18	64	fr
Washington	32	90	24	75	fr

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-snow; st-stormy.

MONDAY'S FORECAST — CHANNEL: Slight. FRANKFURT: Cloudy and stormy. Temp. 26 — 17 (79 — 63). LONDON: Cloudy with showers. Temp. 20 — 13 (68 — 55). MADRID: Thunderstorms. Temp. 33 — 15 (100 — 59). NEW YORK: Cloudy. Temp. 30 — 22 (86 — 72). PARIS: Partly cloudy with showers. Temp. 26 — 15 (77 — 59). ROME: Fair. Temp. 30 — 18 (86 — 64). TEL AVIV: N.A. ZURICH: Thunderstorms. Temp. 26 — 16 (79 - 61). BANGKOK: Thunderstorms. Temp. 32 — 25 (90 — 77). HONG KONG: Showers. Temp. 33 — 28 (91 — 82). MANILA: Rain. Temp. 27 — 24 (81 — 75). SEOUL: Rain. Temp. 25 — 21 (77 — 70). SINGAPORE: Fair. Temp. 33 — 25 (91 — 77). TOKYO: Cloudy. Temp. 31 — 25 (88 — 77).

SPORTS

Cardinals See Pitcher Mathews as Mainstay for '87

Compiled by Our Staff From Dispatches

NEW YORK — Whitey Herzog, who conceded the National League East title to New York more than two months ago, says rookie left-hander Greg Mathews will be a key player for St. Louis in 1987. At least he can beat the Mets.

Mathews, with relief help from Todd Worrell, won his third straight game and fifth in his last six decisions as the Cardinals defeated the Mets, 3-1, in 11 innings here Saturday. It was the Cards' third straight victory over New York, and put them at .500 for the first time since April 26.

"I'm elated at what he's doing, but not surprised in the least," Herzog said. "Greg pitched well in spring training and it was just a matter of time when he would join us."

Mathews (9-3) lost his bid for his first major-league shutout when Lee Mazzilli, who recently rejoined the Mets, tied the game with a one-out home run in the ninth.

"It was supposed to be a sinker," Mathews said, "but I knew it was going in high and fast even before it left my fingers."

Mazzilli had entered the game when first baseman Gary Carter sprained ligaments in his left hand fielding a ground ball in the third inning. Carter was placed on the 15-day disabled list.

John Morris tripled to score Terry Pendleton and break a 1-1 tie in the 11th. Morris scored on an infield out.

In the bottom of the inning, after reliever Pat Perry allowed a walk and a hit, Worrell came on to get the last three outs for his 27th save.

Astros 7, Braves 4: In Atlanta, Kevin Bass homered and drove in three runs for Houston to back the combined five-hit pitching of Matt Keough, Charlie Kerfeld and Dave Smith.

Pirates 6, Phillies 1; Phillies 6, Pirates 0: In Philadelphia, Mike Schmidt and Juan Samuel hit home runs and Tom Hume (making his first start in more than two years) and Kent Tekulve combined on a one-hitter for the Phillies in the nightcap. In the first game, Sid Bream had four hits and four runs batted in for Pittsburgh.

Cubs 5, Expos 0: In Montreal, the rookie pitcher Jamie Moyer flirted with a perfect game for 6⅓ innings, finishing with a two-hitter, and Chris Speier drove in three runs. Jim Wohlford got both hits for the Expos.

Reds 4, Padres 1: In Cincinnati, Buddy Bell, pacing the Reds with a three-run homer, extended his hitting streak to 14 games.

SATURDAY BASEBALL

Dodgers 6, Giants 5: In San Francisco, Bob Welch ran his career record against the Giants to 17-2. Los Angeles survived a four-run Giant ninth as Tom Niedenfuer struck out Chili Davis for the final out.

Mariners 7, Twins 6: In the American League, at Seattle, Alvin Davis hit a game-winning home run in the ninth for the second straight night. Both blows came off Keith Atherton.

Tigers 12, Red Sox 6: In Boston, Larry Herndon capped a five-run eighth with a pinch-hit grand-slam home run, and Jack Morris beat Boston for the second time in five days. Dennis Boyd lost for the third time in a row since returning to the Boston rotation.

Royals 4, Yankees 2: In Kansas City, Missouri, Hal McRae doubled in two runs to cap a three-run sixth as the Royals broke New York's four-game winning streak.

Blue Jays 13, Rangers 1: In Toronto, Ernie Whitt drove in four runs and Damaso Garcia three to spark the Blue Jays' rout of Texas. Ranger reliever Dale Mohorcic pitched in his 10th consecutive game, three shy of the major-league record set by Mike Marshall of the Los Angeles Dodgers.

Indians 2, Orioles 1: In Cleveland, Phil Niekro pitched 8⅓ innings for his 309th career victory.

Brewers 6, White Sox 5: In Chicago, Milwaukee pinch-hitter Ben Oglivie tripled home two runs in a decisive three-run eighth.

Angels 5, A's 2: In Anaheim, California, Doug DeCinces drove in three runs with a homer, double and single to support Mike Witt's two-hitter. *(UPI, LAT)*

Right fielder Pete Incaviglia was all set for George Bell's fifth-inning fly ball, but somehow it got away from him. The other Texas Rangers didn't fare much better, Toronto breezing to a 13-1 rout.

Mike Blake/Reuters-UPI

A 'Rejuvenated' Jackson Swings Back Into Gear

Compiled by Our Staff From Dispatches

ANAHEIM, California — For Reggie Jackson, it was like being young again.

"I feel rejuvenated," the 40-year-old Jackson said Friday night after his first home run at home since May 14 led the California Angels to a 6-4 victory over the Oakland A's.

FRIDAY BASEBALL

"I made some changes," he said. "The other swing was no good — I wasn't driving the ball or driving in any runs in. I was trying to get back to the swing that I've had for 18 seasons."

Jackson had been in a 4-for-32 slump entering the game, with just 39 runs batted in for the season.

Jackson's homer, his 11th of the year, came in the first inning with Wally Joyner and Brian Downing on base.

His manager, Gene Mauch, said the three-run shot was "the kind of thing he did when he was 30." Mauch said this year, "he got seven quick home runs in the first 24 games, but he hasn't been Reggie Jacksonish too much since then."

Winning pitcher John Candelaria had to come out with a 5-1 lead in the sixth when his left elbow stiffened. He had struck out five and allowed just two hits, including a homer by Mickey Tettleton.

Red Sox 8, Tigers 5: In Boston, Ed Romero capped an eight-run fifth with his first homer in nearly two years, helping Roger Clemens register his major league-leading 18th victory.

Indians 3, Orioles 2: In Cleveland, Mel Hall and Cory Snyder laced consecutive two-out RBI singles off Baltimore reliever Don Aase in the eighth.

Brewers 4, White Sox 3: In Chicago, Paul Molitor singled home the tying run in the ninth and pinch-runner Charlie Moore scored the game-winner run on a wild pitch by Dave Schmidt. George Foster, who signed with Chicago earlier in the day, homered and singled in his American League debut. Foster was recently released by the New York Mets.

Blue Jays 6, Rangers 1: In Toronto, George Bell hit a two-run homer and Cliff Johnson added a bases-empty shot to propel the Blue Jays past Texas.

Yankees 7, Royals 4: In Kansas City, Missouri, Mike Easler and Mike Pagliarulo drove home two runs apiece in a fourth-run fourth that helped New York down the Royals.

Mariners 1, Twins 0: In Seattle, Alvin Davis hit a home run with one out in the ninth to give Mike Moore, who pitched a two-hitter, his first shutout of the season.

Giants 5, Dodgers 1: In the National League, in San Francisco, rookie Will Clark hit two home runs to help Mike Krukow to his 100th career victory.

Astros 3, Braves 0: In Atlanta, Bob Knepper threw his league-leading fifth shutout of the year, and Denny Walling homered and drove in two runs.

Cardinals 4, Mets 2: In New York, St. Louis scored three runs in the 10th on John Morris's two-run single and a throwing error by right fielder Darryl Strawberry.

Expos 5, Cubs 2; Expos 5, Cubs 1: In Montreal, rookie Luis Rivera doubled home three runs and Tim Burke won his first major-league start as the Expos completed a doubleheader sweep. The winners' Tim Wallach hit a two-run homer in the opener.

Reds 7, Padres 2; Padres 7, Reds 1: In Cincinnati, Eric Show pitched a four-hitter and Bip Roberts hit his first major-league home run as San Diego salvaged a split of a doubleheader. In the opener, Buddy Bell hit two homers and drove in four runs to pace the Reds.

Pirates 6, Phillies 5; Phillies 3, Pirates 2: In Philadelphia, Milt Thompson drove in one run and scored another to help Mike Maddux to his first major-league victory and give the Phillies a split. In the first game, Sid Bream's sacrifice fly helped Pittsburgh break a three-game losing streak. *(UPI, AP)*

Pro Tennis, TV — Even Fishburgers: Hu Na Lives Life the American Way

By Tim Liotta
The Associated Press

MANHATTAN BEACH, California — Life in America has not been a fairy tale for Hu Na, the tennis pro, but it appears to be headed for a happy ending that befits her ever-present smile.

Since she arrived in the United States after defecting from China four years ago, she has learned English from television, gotten used to fast food, and found a home in San Diego.

And she's done all of that while struggling to raise the level of her tennis game.

"The most difficult thing was eating," she said. "I couldn't eat anything. I didn't like salads, didn't like steak. I didn't like hamburgers. Now, I can eat everything," except steak. "I can eat McDonald's fishburgers."

Hu, who was the No. 1 player in China when she left that country in July 1982, has worked hard on learning the English language.

"I didn't know any words. I could only say, 'Thank you' and 'Goodbye,'" she said. "Then I spent a couple of months watching TV. I learned from watching television. My favorite show is 'Three's Company.'"

She also has taken language classes at U.S. International University and laughs in pride at her English.

Her tennis is improving, too. After being ranked 209th in the world three years ago and 278th in 1984, she climbed to 96th last year. She reached the third round of Wimbledon and advanced to the quarterfinals of the women's tour stop in San Diego last year.

At a recent tournament in Los Angeles, Hu won two qualifying matches and upset Sarah Gomer in the first round before losing to Lisa Bonder, ranked 26th worldwide. She's taking a week off to rest a back injury before playing in the upcoming U.S. Open.

Her first years as a professional were humbling to a player who had been the best in China.

There, "I was No. 1 — that's like last here," she said.

"The first two years were very difficult for me. When I go anywhere, they just talk about [the defection]. They didn't even watch my tennis. The last two years, I've improved, played better, and now they ask me about my tennis."

Hu, 23, credits a four-month stay at a tennis school run by Vic Braden near San Diego at the end of 1983. "He gave me confidence in myself," she said.

This year, Hu, who plays a nimble serve-and-volley game, has advanced to the quarterfinals of two tournaments and has earned $14,482, almost doubling her career earnings.

Perhaps the nicest thing about her life in America is that she has found a home. She has lived in San Diego with Frank Wu, a businessman, and his family for the past two years.

"Because of her special situation — being Chinese — I help her," Wu said. "If I have the time, I travel with her and help get everything together.

Unlike Czechoslovakia's reaction to the defection of Martina Navratilova, which was to ignore her, the people in China are proud of Hu, and keep up with her through the press.

"I think this story has a happy ending," Wu said. "It looks like China has forgiven her."

When Hu goes to a city, the Chinese community opens its doors to her, according to her mentor, Wu.

"She is kind of a favorite daughter of the Chinese community," he said. "If we go anywhere, the Chinese give her a house [to stay in]. I don't have to pay for her. They find out it's Hu Na and they always buy the dinner."

Four years ago, traveling was nearly impossible for Hu to cope with by herself.

"She can handle it now. She went to Europe by herself this year," Wu said. "She can buy tickets and things like that."

"Each tournament, you have a different city," Hu said. "Then you fly over to another hotel, another club. So it was difficult. But now, we have a couple of players who travel together."

Throughout her struggles, Hu has not lost her smile and has no regrets about her decision to come to the United States.

"I think more tournaments will help me," she said. "I need to keep playing, keep hanging in there.... It has been difficult, but now I'm used to it. I love it here and want to stay here."

Richard Drew/The Associated Press

Hu Na: "A favorite daughter of the Chinese community."

SCOREBOARD

World Cup Skiing

MEN'S DOWNHILL
(At Las Lenas, Argentina)

1. Pirmin Zurbriggen, Switzerland, 1:38.03
2. Leonhard Stock, Austria, 1:38.26
3. Peter Müller, Switzerland, and Franz Heinzer, Switzerland, 1:38.67
5. Markus Wasmeier, W. Germany, 1:38.71
6. Karl Alpiger, Switzerland, 1:38.97
7. Daniel Mahrer, Switzerland, 1:39.03
8. Peter Wirnsberger, Austria, 1:39.21
9. Igor Cigolla, Italy, 1:39.36
10. Marc Girardelli, Luxembourg, 1:39.42

OVERALL STANDINGS

1. Peter Müller, Switzerland, 40 points
2. Pirmin Zurbriggen, Switzerland, 35
3. Leonhard Stock, Austria, 31
4. Franz Heinzer, Switzerland, and Karl Alpiger, Switzerland, 30
6. Marc Girardelli, Luxembourg, 18
7. Peter Wirnsberger, Austria; Markus Wasmeier, W. Germany, and Daniel Mahrer, Switzerland, 16
10. Igor Cigolla, Italy, and Sepp Wildgruber, West Germany, 9

Auto Racing

AUSTRIAN GRAND PRIX

Results of the 12th of 16 rounds of the 1986 World Formula One championship on the Oesterreichring circuit in Zeltweg (52 laps; 309 kilometers / 191.6 miles):

1. Alain Prost, France, McLaren-TAG, 1:21:22.531
2. Michele Alboreto, Italy, Ferrari, 1 lap behind
3. Stefan Johansson, Sweden, Ferrari, 2.
4. Alan Jones, Australia, Lola-Ford, 2.
5. Patrick Tambay, France, Lola-Ford, 2.
6. Christian Danner, West Germany, Arrow-BMW, 3.
7. Gerhard Berger, Austria, Benetton-BMW, .
8. Huub Rothengatter, Netherlands, Zakspeed, 4.
9. Keke Rosberg, Finland, McLaren-TAG, 5.
10. René Arnoux, France, Ligier, 6.
11. Piercarlo Ghinzani, Italy, Osella-Alfa, 6 laps.

(All other drivers failed to finish)

OVERALL DRIVER STANDINGS

1. Nigel Mansell, Britain, 55 points
2. Alain Prost, France, 53
3. Ayrton Senna, Brazil, 48
4. Nelson Piquet, Brazil, 47
5. Keke Rosberg, Finland, 19
6. Jacques Laffite, France; René Arnoux, France, and Stefan Johansson, Sweden, 14
9. Michele Alboreto, Italy, 12
10. Gerhard Berger, Austria, 6
11. Martin Brundle, Britain, 5
12. Alan Jones, Australia, 3
13. Teo Fabi, Italy; Riccardo Patrese, Italy, and Johnny Dumfries, Britain, 2
16. Patrick Tambay, France, 2

European Soccer

FRENCH FIRST DIVISION

Nice 0, Bordeaux 0
Nantes 1, Nancy 0
Brest 0, Toulouse 0
Auxerre 1, Monaco 1
Brest 1, Lens 3
Saint Etienne 1, Paris SG 0
Metz 3, Le Havre 0
RC-Paris 0, Marseille 1
Lille 3, Rennes 0
Toulon 0, Sochaux 0

Point standings: Marseille, Nantes 7; Bordeaux 6; Metz, Brest, Lens, Paris SG 5; Toulouse, Saint Etienne, Nice, Rennes, Sochaux 4; Lille, Auxerre, Laval, Toulon 3; Monaco, RC-Paris, Le Havre, Nancy 2.

WEST GERMAN FIRST DIVISION

Nuremberg 3, Bochum 3.
Bayer Uerdingen 2, Blau-Weiss Berlin 1.
Duesseldorf 0, Bayern Munich 3
Hamburg 3, Werder Bremen 0
Kaiserslautern 1, Bo. Mönchengladbach 1
Schalke 2, Waldhof Mannheim 7
Cologne 0, Eintracht Frankfurt 0
Borussia Dortmund 0, Bayer Leverkusen 0

Point standings: Bayer Uerdingen 4; Eintracht Frankfurt, Kaiserslautern, Bayern Munich, Bochum, Bayer Leverkusen 3; Hamburg, Stuttgart, Schalke, Borussia Dortmund, Werder Bremen, Waldhof Mannheim 2; Borussia Mönchengladbach, Nuremberg, Cologne 1; Blau-Weiss Berlin, Fortuna Duesseldorf 0.

Football

CFL Standings

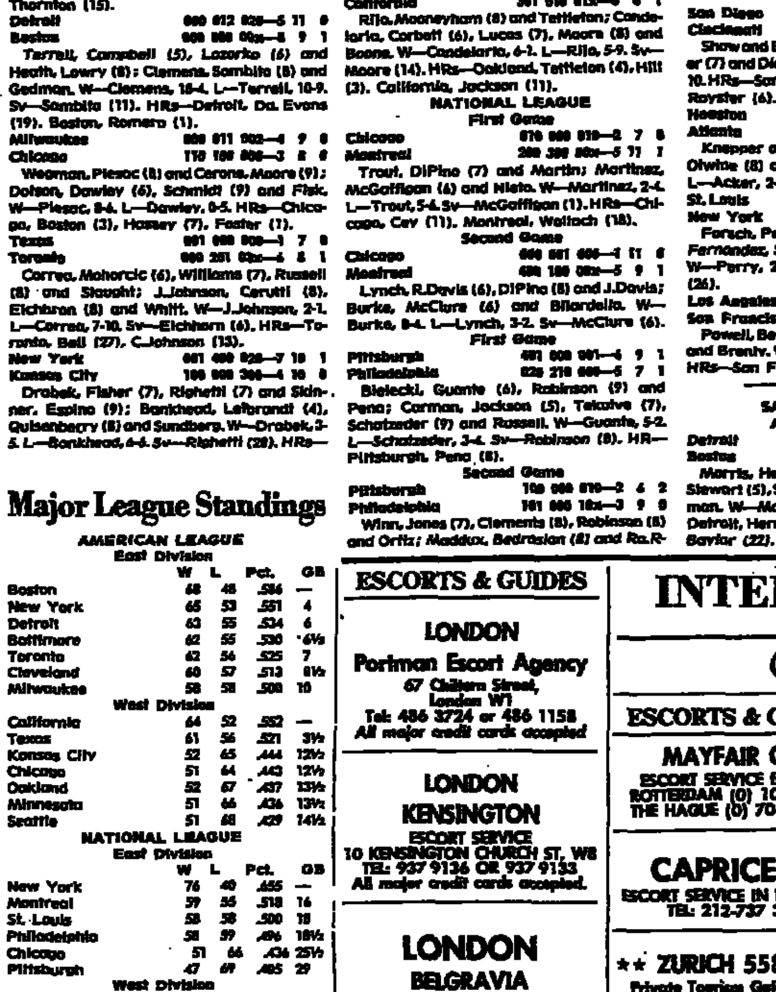
	W	L	T	PF	PA	Pts
Eastern Division						
Toronto	4	3	0	160	163	8
Montreal	2	5	0	136	132	4
Ottawa	2	5	0	153	180	4
Hamilton	1	5	0	122	147	2
Western Division						
Brit Clmb	7	1	0	209	171	12
Edmonton	5	2	0	201	148	10
Calgary	4	4	0	171	163	8
Winnipeg	4	3	0	186	149	6
Saskatchwn	3	4	0	142	195	6

Friday's Results
British Columbia 25, Ottawa 19
Edmonton 33, Winnipeg 5

NFL Exhibitions

Friday's Results
Cleveland 17, Miami 10
Washington 22, Pittsburgh 24, OT
Detroit 30, Seattle 27, OT

Saturday's Results
Atlanta 20, Tampa Bay 17
Chicago 38, Indianapolis 21
N.Y. Jets 28, Cincinnati 17
Minnesota 29, Denver 27
Kansas City 27, St. Louis 24
New England 38, New Orleans 34
N.Y. Giants 22, Green Bay 14
Houston 23, Buffalo 20
L.A. Raiders 24, Dallas 17
San Diego 45, Philadelphia 38



Adam Lubroth/The Associated Press

FIRST GOLD — Gao Min earned China its first-ever gold medal in the world swimming championships when she won the women's springboard diving competition Saturday in Madrid.

Transition

BASEBALL
American League

CHICAGO—Signed George Foster, outfielder, for the remainder of the 1986 season. Purchased the contract of Ron Karkovice, catcher, from Birmingham of the Southern League. Placed Luis Salazar, infielder-outfielder, on the 15-day disabled list. Optioned Steve Lyons, outfielder, to Buffalo of the American Association.

MILWAUKEE—Traded Danny Darwin, pitcher, to the Houston Astros for Don August, pitcher, and a player to be named later. Assigned August to Vancouver of the Pacific Coast League. Purchased the contract of Mike Birkbeck, pitcher, from Vancouver.

TEXAS—Assigned Ricky Wright, pitcher, to Oklahoma City of the American Association on medical rehabilitation.

National League

CHICAGO—Purchased the contract of Mike Martin, catcher, from Pittsfield of the Eastern League.

NEW YORK—Placed Gary Carter, catcher, on the 15-day disabled list. Recalled Randy Niemann, pitcher, and John Gibbons, catcher, from Tidewater of the International League. Optioned Randy Myers, pitcher, to Tidewater.

FOOTBALL
National Football League

BUFFALO—Waived Eason Ramson, tight end.

INDIANAPOLIS—Signed Victor Jackson, defensive back and Preston Davis, cornerback.

INDIANAPOLIS—Waived Steve O'Malley, nose tackle.

ST. LOUIS—Signed Hosea Taylor and Bob Clasby, defensive ends.

SAN DIEGO—Cut David King, cornerback, and James Lockette, defensive lineman.

SAN FRANCISCO—Agreed to terms with Keith Fernhorst, tackle. Signed Reno Patterson, defensive tackle.

HOCKEY
National Hockey League

WINNIPEG—Traded Brian Hayward, goalie, to Montreal for Steve Penney, goalie, and Jan Ingman, left wing.

Baseball

Friday's and Saturday's Major League Line Scores

FRIDAY'S RESULTS
AMERICAN LEAGUE

Baltimore 000 030 000—3 5 0
Cleveland 010 000 02x—3 10 0
Dixon, Bordi (8), Aase (8) and Dempsey; Bailes, Wills (8), Camacho (9) and Allanson. W—Wills, 1-1. L—Aase, 5-4. Sv—Camacho (17). HRs—Baltimore, Traber (9). Cleveland, Thornton (15).

Detroit 000 012 020—5 11 0
Boston 000 080 00x—8 9 1
Terrell, Campbell (5), Lazorko (6) and Heath, Lowry (8); Clemens, Sambito (8) and Gedman. W—Clemens, 18-4. L—Terrell, 10-9. Sv—Sambito (11). HRs—Detroit, Da. Evans (19). Boston, Romero (1).

Milwaukee 000 011 002—4 9 0
Chicago 110 100 000—3 8 0
Wegman, Plesac (8) and Cerone, Moore (9); Dotson, Dawley (6), Schmidt (9) and Fisk. W—Plesac, 8-4. L—Dawley, 0-5. HRs—Chicago, Boston (3), Hassey (7), Foster (1).

Texas 001 000 000—1 7 0
Toronto 000 201 02x—6 8 1
Correa, Mohorcic (6), Williams (7), Russell (8) and Slaught; J.Johnson, Cerutti (8), Eichhorn (8) and Whitt. W—J.Johnson, 2-1. L—Correa, 7-10. Sv—Eichhorn (6). HRs—Toronto, Bell (27), C.Johnson (13).

New York 001 400 020—7 10 1
Kansas City 100 000 300—4 10 0
Drabek, Fisher (7), Righetti (7) and Skinner. Espino (9); Bankhead, Leibrandt (4), Quisenberry (8) and Sundberg. W—Drabek, 3-5. L—Bankhead, 4-4. Sv—Righetti (28). HRs—New York, Skinner (5). Kansas City, Brett (12).

Minnesota 000 000 000—0 2 0
Seattle 000 000 001—1 5 1
Heaton, Atherton (9) and Salas; Moore and Kearney. W—Moore, 7-10. L—Atherton, 5-6. HR—Seattle, Davis (14).

Oakland 001 000 300—4 4 1
California 301 010 01x—6 6 1
Rijo, Mooneyham (8) and Tettleton; Candelaria, Corbett (6), Lucas (7), Moore (8) and Boone. W—Candelaria, 6-1. L—Rijo, 5-9. Sv—Moore (14). HRs—Oakland, Tettleton (4), Hill (3). California, Jackson (11).

NATIONAL LEAGUE
First Game

Chicago 010 000 010—2 7 0
Montreal 200 300 00x—5 11 1
Trout, DiPino (7) and Martin; Martinez, McGaffigan (6) and Nieto. W—Martinez, 2-4. L—Trout, 5-4. Sv—McGaffigan (1). HRs—Chicago, Cey (11). Montreal, Wallach (18).

Second Game

Chicago 000 001 000—1 11 0
Montreal 400 100 00x—5 9 1
Lynch, R.Davis (6), DiPino (8) and J.Davis; Burke, McClure (6) and Bilardello. W—Burke, 8-4. L—Lynch, 3-2. Sv—McClure (6).

First Game

Pittsburgh 401 000 001—6 9 1
Philadelphia 020 210 000—5 7 1
Bielecki, Guante (6), Robinson (9) and Pena; Carman, Jackson (5), Tekulve (7), Schatzeder (9) and Russell. W—Guante, 5-2. L—Schatzeder, 3-4. Sv—Robinson (8). HR—Pittsburgh, Pena (8).

Second Game

Pittsburgh 100 000 010—2 6 2
Philadelphia 101 000 10x—3 9 0
Winn, Jones (7), Clements (8), Robinson (8) and Ortiz; Maddux, Bedrosian (8) and Ro.Reynolds. W—Maddux, 1-5. L—Winn, 2-5. Sv—Bedrosian (15).

First Game

San Diego 000 200 000—2 7 0
Cincinnati 302 000 20x—7 10 0
Dravecky, LaPoint (5), Walter (7) and Kennedy; Soto, Murphy (7) and Butera. W—Soto, 5-10. L—Dravecky, 8-10. Sv—Murphy (1). HRs—Cincinnati, Bell 2 (11), Parker (24), Perez (1).

Second Game

San Diego 111 111 010—7 13 0
Cincinnati 000 000 001—1 4 0
Show and Bochy; Browning, Willis (5), Power (7) and Diaz. W—Show, 8-5. L—Browning, 9-10. HRs—San Diego, Roberts (1), Garvey (17), Royster (6).

Houston 000 210 000—3 7 1
Atlanta 000 000 000—0 5 2
Knepper and Mizerock; Acker, Speck (8), Olwine (8) and Benedict. W—Knepper, 15-8. L—Acker, 2-2. HR—Houston, Walling (10).

St. Louis 100 000 000 3—4 8 0
New York 000 000 100 1—2 10 2
Forsch, Perry (9), Worrell (10) and Lake; Fernandez, Sisk (8), Orosco (8) and Carter. W—Perry, 2-2. L—Orosco, 4-5. Sv—Worrell (26).

Los Angeles 000 000 001—1 7 0
San Francisco 000 004 01x—5 12 0
Powell, Beckwith (8) and Sciascia; Krukow and Brenly. W—Krukow, 12-6. L—Powell, 2-4. HRs—San Francisco, Clark 2 (9).

SATURDAY'S RESULTS
AMERICAN LEAGUE

Detroit 201 040 050—12 21 0
Boston 010 202 010—6 9 1
Morris, Hernandez (8) and Lowry; Boyd, Stewart (5), Sambito (8), Stanley (8) and Gedman. W—Morris, 15-7. L—Boyd, 11-9. HRs—Detroit, Herndon (5). Boston, DwEvans (17). Baylor (22).

Texas 000 001 000—1 6 1
Toronto 400 062 01x—13 12 0
Hough, Mohorcic (6), Williams (7), Harris (8) and Slaught; Key, Lamp (8), Caudill (9) and Whitt. W—Key, 11-8. L—Hough, 9-8. HRs—Toronto, Fernandez (8), Garcia (6).

New York 000 100 100—2 5 0
Kansas City 000 013 00x—4 9 0
Rasmussen, Fisher (6), Scurry (8), Stoddard (8) and Espino; Jackson, Black (8) and Sundberg. W—Jackson, 8-8. L—Rasmussen, 12-4. Sv—Black (5). HRs—New York, Winfield (18). Kansas City, Balboni (26).

Baltimore 000 000 001—1 7 1
Cleveland 110 000 00x—2 9 0
Flanagan and Stefero; Niekro, Noles (9). Oelkers (9) and Bando. W—Niekro, 9-9. L—Flanagan, 6-8. HR—Baltimore, Murray (12).

Milwaukee 010 002 030—6 13 0
Chicago 010 003 010—5 10 2
Nieves, Johnson (6), Clear (8) and Cerone. Schroeder (8); Bannister, Nelson (7), Thigpen (8) and Fisk. W—Johnson, 1-1. L—Nelson, 5-5. Sv—Clear (11). HRs—Milwaukee, Deer (26). Chicago, Hulett (15), Baines (19).

Oakland 100 000 010—2 2 2
California 004 000 10x—5 9 2
Young, Plunk (7) and Tettleton; Witt and Boone. W—Witt, 14-7. L—Young, 9-8. HRs—Oakland, Murphy (6). California, Grich (8), DeCinces (18).

Minnesota 110 000 400—6 13 2
Seattle 000 100 411—7 11 2
Blyleven, Fontenot (7), Atherton (8) and Reed; Swift, Young (7), Huismann (8), Guetterman (8), Ladd (9) and S.Bradley, Kearney (9). W—Ladd, 8-4. L—Atherton, 5-7. HRs—Seattle, Tartabull (21), A.Davis (15).

NATIONAL LEAGUE

St. Louis 000 000 100 02—3 6 1
New York 000 000 001 00—1 6 0
Mathews, Perry (11), Worrell (11) and LaValliere, Lake (11); Gooden, McDowell (9) and Hearn. W—Mathews, 9-3. L—McDowell, 12-7. HR—New York, Mazzilli (3).

Los Angeles 000 500 010—6 10 1
San Francisco 010 000 004—5 8 0
Welch, Howell (9), Niedenfuer (9) and Sciascia; LaCoss, M.Davis (4), Robinson (6), Berenguer (8), Williams (8) and Brenly. W—Welch, 6-9. L—LaCoss, 9-8. Sv—Niedenfuer (9). HR—San Francisco, Brenly (9).

First Game

Pittsburgh 010 000 032—6 9 0
Philadelphia 000 001 000—1 5 2
Rhoden and Pena; K.Gross, Schatzeder (8) and Russell. W—Rhoden, 13-7. L—K.Gross, 8-10. HR—Pittsburgh, Bream (13).

Second Game

Pittsburgh 000 000 000—0 1 0
Philadelphia 002 003 10x—6 8 1
McWilliams, Clements (8) and Ortiz, Diaz (8); Hume, Tekulve (7) and Ro.Reynolds. W—Hume, 4-0. L—McWilliams, 2-9. Sv—Tekulve (3). HRs—Philadelphia, Schmidt (26), Samuel (10).

San Diego 000 000 010—1 10 0
Cincinnati 010 030 00x—4 7 0
Whitson, McCullers (7) and Kennedy; Gullickson, Franco (9) and Diaz. W—Gullickson, 9-8. L—Whitson, 1-5. Sv—Franco (19). HR—Cincinnati, Bell (12).

Chicago 000 000 302—5 7 0
Montreal 000 000 000—0 2 0
Moyer and Davis; Youmans, Tibbs (9) and Bilardello, Nieto (9). W—Moyer, 4-3. L—Youmans, 11-8.

Houston 000 023 011—7 11 0
Atlanta 000 002 200—4 5 1
Keough, Kerfeld (6), Smith (8) and Ashby, Mizerock (8); Mahler, Assenmacher (6), Speck (7), Dedmon (8) and Virgil. W—Keough, 3-3. L—Mahler, 11-12. Sv—Smith (24). HRs—Houston, Bass (17), Mizerock (1). Atlanta, Murphy (22).

Major League Standings

AMERICAN LEAGUE

	W	L	Pct.	GB
East Division				
Boston	68	48	.586	—
New York	65	53	.551	4
Detroit	63	55	.534	6
Baltimore	62	55	.530	6½
Toronto	62	56	.525	7
Cleveland	60	57	.513	8½
Milwaukee	58	58	.500	10
West Division				
California	64	52	.552	—
Texas	61	56	.521	3½
Kansas City	52	65	.444	12½
Chicago	51	64	.443	12½
Oakland	52	67	.437	13½
Minnesota	51	66	.436	13½
Seattle	51	68	.429	14½

NATIONAL LEAGUE

	W	L	Pct.	GB
East Division				
New York	76	40	.655	—
Montreal	59	55	.518	16
St. Louis	58	58	.500	18
Philadelphia	58	59	.496	18½
Chicago	51	66	.436	25½
Pittsburgh	47	69	.405	29
West Division				
Houston	67	50	.573	—
San Francisco	61	56	.521	6
Los Angeles	57	60	.487	10
Cincinnati	56	60	.483	10½
Atlanta	54	62	.466	12½
San Diego	54	63	.462	13

Tennis

MEN'S TOURNAMENT
(At Toronto)
Quarterfinals

Boris Becker (2), West Germany, def. Bud Schultz, U.S., 6-4, 7-6 (7-5); Jonathan Canter, U.S., def. Marcel Freeman, U.S., 3-6, 6-3, 6-3; Stefan Edberg (4), Sweden, def. Robert Seguso (12), U.S., 6-1, 6-2; Christo Steyn, South Africa, def. Kevin Curren (15), U.S., 7-6 (8-6), 7-6 (8-6).

Semifinals

Becker def. Canter, 7-6 (7-4), 7-6 (7-3).
Edberg def. Steyn 6-1, 6-2.

WOMEN'S TOURNAMENT
(At Manhattan Beach, California)
Quarterfinals

Martina Navratilova (1), U.S., def. Zina Garrison (8), U.S., 6-4, 6-4; Helena Sukova (5), Czechoslovakia, def. Claudia Kohde-Kilsch (3), West Germany, 6-3, 7-5; Pam Shriver (4), United States, def. Gabriela Sabatini (7), Argentina, 7-5, 6-2; Chris Evert-Lloyd (2), U.S., def. Manuela Maleeva (6), Bulgaria, 3-6, 6-0, 6-0.

Semifinals

Navratilova def. Sukova, 7-6 (7-2), 6-1.
Evert def. Shriver, 6-4, 6-4.

INTERNATIONAL CLASSIFIED

(Continued From Back Page)

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Let's Hear It for Jean Arp

By John Russell
New York Times Service

NEW YORK — As to what will be made of the now-imminent centenary of the birth of Jean Arp — sculptor, poet, maker of reliefs, collagist and for many years a discreet but animating force in the development of 20th-century art — the news has yet to come in.

Fireworks crafted with Arp-like fancy may soar above the cathedral of his native Strasbourg. White wine from the Valais may spout from the fountains of Zurich, in which he spent some of his most creative years. In Meudon, not far from Paris, the birds, the butterflies and the hares for which he felt a watchful tenderness may flock to the garden of the house that he maintained for 40 years. Or, the world being what it is, and Arp having been the least pushy of men, there may be nothing much of anything. Either way, Sept. 16, 1886, is a date worth remembering. It also is confirmed by the Strasbourg public records office, although many reference works give Arp's birthdate as 1887.

As of the end of World War I, there can have been no doubt that Jean Arp was a key figure in European art. In 1910 or 1911, he had "begun to produce what is now called 'abstract art.'" In 1912, he went to Munich, called on Wassily Kandinsky, was encouraged by him in his researches and exhibited with the "Blue Rider" group. Later in 1912, he took part in a major exhibition in Zurich, along with Matisse, Robert Delaunay and Kandinsky. In Berlin in 1913, he was taken up by Herwarth Walden, the dealer, magazine editor and aesthetic impresario who was at that time one of the most powerful figures in the European avant-garde. In Paris in 1914, he had his portrait drawn by Modigliani and came to know Picasso and Delaunay. In 1914, he went to Cologne, and was recognized as a kindred spirit by Max Ernst.

At the out-break of World War I, Arp was in Paris, and quite happy to remain there. But as he was German by birth, it became risky for him to do so. Rather than return to Germany and military service, he made his way to Zurich, represented himself to the German consul as mentally defective and was exempted from military service.

In Zurich, Arp perfected the layered wooden reliefs — an adroit and poetical mix of painting, drawing and sculpture — that have ever since been part of the canon of modern art. As a founding member of the Zurich Dada group, he pioneered the acceptance of accident in art that was one of the key notions of avant-garde art. "Chance is also a dream," he said.

He was also a pioneer of the automatic writing and drawing that were to be fundamental to Surrealism in the 1920s. And he fell in love with a young painter called Sophie Taeuber, who later became his wife. Theirs was a marriage of equals.

By the time that he turned 30, in 1916, Arp had developed more than one of the modalities that have been an enduring part of 20th-century art. Deliberately, he took the stressful, body-building element out of art and made it look weightless, incorporeal and full of wit. "Life is a puzzling puff of wind," he wrote, and he liked to feel that his work had that aerial energy.

During World War I, it had also a strong element of protest. As he and his colleagues saw it, language had been debased by the mendacious rhetoric of wartime, while art had become laborious, sanctified, pointless routine, with the recruiting poster and the war memorial as its goal. He wanted an art and a poetry that would start fresh. From a sheet of paper torn up by chance and allowed to fall on the floor, or from a sentence picked at random from the day's paper, magic could come.

And magic did come. What Jean Arp produced during the Dada years looks as fresh, lively and pertinent today as ever. By drawing with a length of cord as well as most artists can draw with a pencil, he proved that art could be made out of nothing, and that the disdain for conventional, workmanlike painting and drawing that he had felt ever since he was a boy could be constructive. He said that, at the age of 16, when he was in art school in Strasbourg, "the everlasting copying of stuffed birds and withered flowers not only poisoned drawing for me, but destroyed my taste for artistic activity of any kind."

Turning to poetry, he found that a sentence taken at random from a newspaper was as compelling to him as anything in the great poetry of the past. His collected poems prove that this was neither a silly nor a presumptuous idea. Arp was a word man as much as an image man.

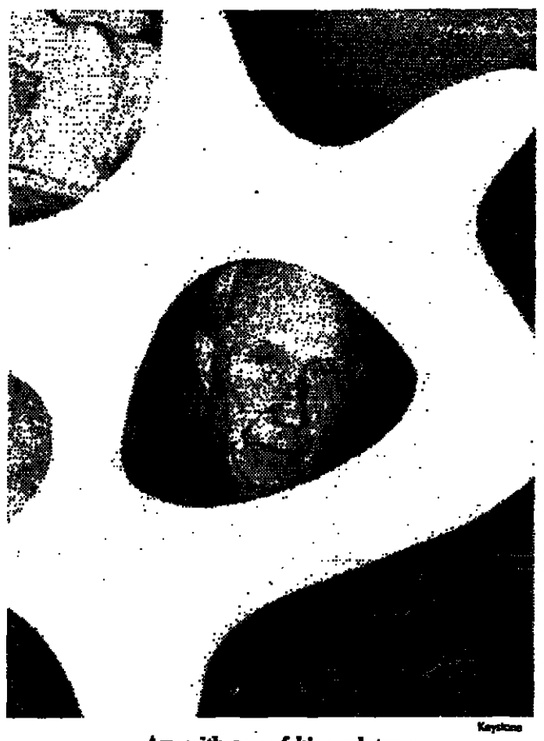
Meanwhile, the lightness of touch for which Arp's work was remarkable during the Dada period had a moral as much as a material side. Most people's idea of major art was still predicated on huge sententious productions like Rodin's "Gates of Hell." But, as Arp said, "We couldn't stand the otherworldly airs of the 'titans' as they wrestled with their 'problems of the spirit.'" He wanted an art that traveled light, weighed nothing and made about as much noise as the wingbeat of a butterfly. He could thump with the best of them — see his jacket design for Richard Huelsenbeck's book of poems, "Phantastische Gebete" — but he preferred to work with lollopy, off-center, curvilinear forms.

Throughout the 1920s, he kept that lightness even in reliefs that by his standards were quite large — 57 by 44 inches, for instance. Many reliefs had everyday subject matter — "Shirtfront and Fork" or "Shirt and Tie" — but he turned their ordinariness to poetry.

As of 1930 he began sculpture in the round. In bronze or white marble, these moved away from the more freaky imagery of his reliefs. They turned toward the allusive biomorphic forms that were becoming part of the lingua franca of international sculpture. He still had his wild contradictory poetry, but his work entered a multinational terrain where amphorae rhymed with beautiful women, pod rhymed with phallus, and a "pre-Adamic fruit" could be a kernel from the South Seas, the backside of the girl next door or both at once.

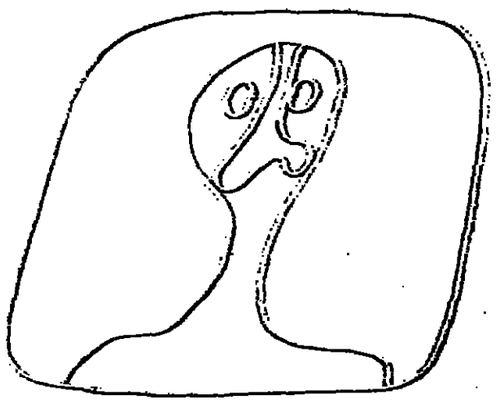
The sculptors Constantin Brancusi at one end and Henry Moore at the other were the guardians of that terrain. In white marble, especially, Arp had great successes there. But when other hands, no matter how capable, did the final shaping and the sculpture had a public function, there was a loss of the confidential quality that came with the weightless, expenseless work of his youth.

Arp was always Arp, and as we can see from his "Mutilated and Stateless" of 1936 that he could still pull out an unforgettably strange and haunting image. (The work in question refers to the refugees who were in flight from tyranny and torture all over Europe.) He died in Basel in his 80th year, after a life without blemish. Let's remember him, come Sept. 16.



Keystone

Arp with one of his sculptures.



Museum of Modern Art, New York

Arp's "Man at a Window" (1930).

LANGUAGE

Kafka, Football and a Sense of Home

By Christopher Lehmann-Haupt

NEW YORK — The name of Franz Kafka was invoked several times in connection with the recent antitrust suit by the United States Football League against the National Football League. Harvey Myerson, the attorney for the USFL, referred in his summation to the "Kafkaesque" world of the NFL, where "black is white and white is black." And a week ago, in an interview with a New York Times reporter, Pete Rozelle, the commissioner of the NFL, said of the USFL's reaction to the jury's verdict — which found the NFL had violated antitrust law but awarded the USFL only $1 in damages — that "it reminds me of Kafka, who wrote that white was black and black was white."

Now Franz Kafka's surname has come to be associated with many disparate qualities, few of them having much to do with what he actually wrote. *Kafkaesque* has come to mean anything from "dreamlike" to "sinister" to "absurd." Both Myerson's and Rozelle's citations of the Czechoslovak writer's name were probably apt in the sense that each was calling *Kafkaesque* something that seemed to him "illogical." But to refer to Kafka as a writer who distorted truth is to do him an injustice. His writings may be about a world where things seem the opposite of what they are; but if anything, by portraying this inscrutable world as he did, he made all the clearer the truth about white and black.

THERE'S a professor of architecture at McGill University, Witold Rybczynski, who also has a sense of the absurd. And nowhere does he exercise it more tellingly than in the footnotes to his recently published "Home: A Short History of an Idea." It is an acute, entertaining book that could also have been subtitled "The Decline and Fall of Comfort."

It is in one of Rybczynski's footnotes that we learn how the "tradition" of associating specific Scottish tartans with different families occurred. It came "not in the mists of Celtic antiquity" but instead in the early 19th century, as "the result of Queen Victoria's cult of the Highlands, as evidenced at Balmoral Castle, her Scottish country home, and of a sales campaign by cloth manufacturers who were seeking to develop larger markets for their products."

In another footnote, we read how the "friction between new and old money took a bizarre turn recently." The fashion designer Ralph Lauren has "brought legal action for infringing on 'his' corporate symbol against an organization that had the temerity to use the figure of a man on a horse swinging a mallet as its insignia. The object of his suit was the United States Polo Association, founded in 1900."

But most Rybczynski footnotes concern word origins, and these often illuminate his subject in surprising ways. For instance, while exploring a notion suggested by the late art historian Mario Praz that *Stimmung* — or "the sense of intimacy that is created by a room and its furnishings" — developed first in northern Europe, Rybczynski says that while throughout Europe the days of the week are named after pre-Christian deities, the unique exception occurs in the Scandinavian languages. There Saturday, or *Lordag*, is "the day for bathing," indicating the importance that was attached to this practice.

Elsewhere, he notes that "the Dutch word for clean, *schoon*, also expresses beauty and purity," which may partly explain why homes became a popular subject in 17th-century Dutch painting. Finally, he reports that the "wonderful word, 'home,' which connotes a physical 'place' but also has the more abstract sense of a 'state of being,' has no equivalent in the Latin or Slavic European languages." He adds: "German, Danish, Swedish, Icelandic, Dutch, and English all have similar sounding words for 'home,' all derived from the Old Norse '*heima*.'"

From bathing as a ritual in pre-Christian Scandinavia to the beauty of cleanliness in Renaissance Holland, to the Nordic origins of the word "home": such footnotes suggest impressionistically a theory all their own in support of Mario Praz's notion of *Stimmung* as a northern European development.

A FEW months ago, I read on the dust jacket of a newly published biography a blurb that said the book "is a work of such enormity in its heft and scope that surely no one need ever again be tempted to essay a biography" of the subject in question. *Such enormity?* While a book reviewer might concur that an 800-page biography constitutes an enormity, didn't the admiring blurb writer really mean "enormousness"?

The Oxford English Dictionary defines *enormity* as "Deviation from moral or legal rectitude" or "Extreme or monstrous wickedness." And the definition goes on to pronounce as "incorrect" the use of the word to mean "excess in magnitude; hugeness, vastness," although, the entry concludes, "recent examples might perhaps be found." So I was right, and the blurb writer was wrong.

But wait: according to The Random House College Dictionary, the third meaning of "enormity" is "greatness of size, scope, extent, or influence; immensity," though that definition is "nonstandard." And according to the more extensive Random House Dictionary of the English Language, from which the College Dictionary is derived, the third meaning of "enormity" is "greatness of size" etc., with no qualification whatever. So I was wrong, and it looked for a moment as if a new word were being born, and in the process killing off two older ones, "enormousness" and "enormity" in its negative sense.

On closer inspection, it turned out that the news of these deaths was exaggerated. The larger Random House Dictionary turns out to have been published in 1966, whereas the derivative College Dictionary was revised in 1982. And, as I discovered, the later dictionary concludes with a note on usage that does not appear in the earlier one: "Although enormity was once standard as a synonym for enormousness, its present use in any sense other than those given in definitions 1 and 2" — "atrociousness" and "something outrageous or heinous" — is now usually regarded as incorrect."

So I was right, and what we are witnessing is a clarification, not a muddying. For a change, the language is making itself more, not less, precise. Enormity is now a bad thing.

New York Times Service

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